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Developing & Maintaining Client Trust & Commitment in a Rapidly Changing Environment

Chapter 6: Communication Skills



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Chapter 6: Communication Skills

I. Introduction

In 2006, members of the Life Planning Consortium developed and conducted the *Survey of Specific Elements of Communication that Affect Trust and Commitment in the Financial Planning Process*. The primary goal of this survey was to identify and statistically validate specific communication topics, tasks, and skills that contribute to building client trust and commitment in the context of a professional financial planning relationship. In particular, this study explored elements of communication associated with a client-centered, “life planning” approach to service delivery. The researchers also examined the influence of selected communication variables on important indicators of successful client relationships, including retention, satisfaction, cooperation, openness to disclosing personal and financial information, and referrals.

The purpose of the current research project is to replicate the 2006 study while including additional variables that will provide insight into the development of successful client planner relationships in the context of 1) current demographic, economic, and equity issues; 2) the prevalence of financial anxiety; and 3) trends that demand virtual communication methods. A number of national and international economic events have occurred since the 2006 data collection (i.e., 2007 Housing Crisis, 2008 Great Recession, 2020 COVID-19 Pandemic, and Recession), which have severely challenged Americans’ sense of economic security and their trust in financial markets. Replicating the 2006 study allowed the researchers to compare both planner and client perceptions of relationship quality and efficacy in light of 15 years of unprecedented challenges and tremendous economic uncertainty.

In this section, we present the context and conceptual framework we used for exploring the efficacy of certain communication skills related to developing client trust and commitment and in promoting other important outcomes of successful planner/client relationships.

A. Client-Centered Communication

In *Communicating with Clients: A Guide for Financial Professionals*¹ authors Pulvino, Lee, and Forman proclaim there is no best way to communicate. They do, however, offer two guidelines for distinguishing effective, professional communication from less effective communication:

1. Humanistic, Growth-Producing Treatment—This refers to communication that maximizes a person’s own potential and that treats that person as worthwhile.
2. Efficiency and Parsimony—Effective communication attempts to achieve goals as quickly and effortlessly as possible.

In addition, these authors believe that “an important first step in communication is for you to understand the client’s map of the world and how it is similar to and dissimilar from your own.” They describe “maps” as each person’s package of experiences:

As people grow and develop, they store their life experiences and their reactions to those experiences. A person’s experiences are gradually woven into a personal representation of the world. These finely woven representations have been called perceptions, tapes, personal rules, and maps.

They further explain that by understanding clients’ maps, financial planners will have a better basis for communicating with them:

Clients’ maps affect how they make decisions; how they use money; how willing and capable they are to take risks, and how they view their personal, business, or financial goals.

B. Listening for Understanding

In *The 7 Habits of Highly Effective People*,² Stephen Covey declares, “Communication is the most important skill in life.” He also points out that—in relation to the number of years spent in learning how to read, write, and speak—we spend relatively little time is learning how to listen. To prove his point, Covey challenges his readers with this question: “What training or education have you had that enables you to listen so that you really, deeply understand another human being from that individual’s own frame of reference?” This, he says, is *empathic* listening—the highest level of listening. It is not *active listening* or *reflective listening*, but rather listening with the intent to understand the other person’s view of the world and how they feel. Covey explained, “In empathic listening, you listen with your ears, but you also, and more importantly, you listen with your eyes and with your heart.”

Getting to know financial planning clients at this deeper level is also at the core of the life planning approach. George Kinder, a pioneer in applying life planning principles to the financial planning process, wrote, “it is only in an atmosphere of trust that a client is willing to share stories in a way that leaves nothing significant out.”³ He further explained:

If our financial planning recommendations don’t relate to who the client is, the client will find a way to sabotage the process we have, in fact, already blown. Who your clients are has to involve and include the deeper aspects of their being. It involves their vision of freedom and their vision of what makes a good world as well as their experiences of their own limitations and vulnerabilities.

C. Facilitative Communication Skills: Bridges to Understanding

In *Financial Counseling: A Strategic Approach*,⁴ the authors identified three categories of “facilitative communication skills”: nonverbal, verbal, and spatial arrangement. They believe that deliberate, specific, and tactical use of these elements of communication will increase

efficiency and effectiveness in the financial advisory relationship and enhance the development of trust and commitment.

Nonverbal Communication

In nonverbal communication, messages are conveyed without words. Openness to an idea or unspoken emotions such as fear or anger can be evident in a client's body posture or facial expressions. In addition, a planner can convey acceptance, warmth, and interest by eye contact or leaning toward the client when listening.

Nonverbal pacing requires the planner to model or copy the nonverbal behavior of the client. In *Communicating with Clients: A Guide for Financial Professionals*,⁵ Pulvino, Lee, and Forman explained, "When one person deliberately paces (matches) another person's behavior, the second person usually reports feeling listened to, understood, and accepted."

Verbal Communication

Verbal communication consists of pacing and asking questions. Verbal pacing tactics include restating, paraphrasing, or summarizing a client's statements. Focus can be on factual content or on the underlying emotional theme. Using words that reflect a client's learning style (visual, auditory, and kinesthetic) is an example of an advanced verbal pacing technique. In addition, Pulvino, Lee, and Forman wrote that "verbal pacing skills are used to help you get in touch with the client's representational map, which in turn helps you to establish open trusting relationships based on understanding the client." Furthermore, strategic use of questions can encourage client openness, clarify meaning of client statements, and direct the gathering of important client information.

Spatial Arrangement

Spatial arrangement of the environment in which planner/client conversations take place can also enhance client comfort and encourage openness. It is important to create a space for planner/client conversations that is comfortable, non-threatening, and assures privacy. For example, Pulvino, Lee, and Forman point out that round, square, and oval tables or desks can be used to create atmospheres of equality. In contrast, "rectangular tables or desks are more likely to create status differentiation."

D. Do Contemporary Issues Require New Approaches to Client Communication?

Additional factors can also influence the ways that financial planners communicate with their clients. In particular, this study examined the influence of 1) virtual meeting navigation, 2) client financial anxiety, and 3) planner awareness of cultural differences and institutional barriers.

Virtual Meetings

In 2006, Engelberg and Sjoberg observed that money conversations, in any format, are challenging because they have the potential for an array of emotional and psychological responses, including stress, anxiety, and conflict.⁶ Therefore, the need for guidance in facilitating effective client communication in a virtual format should be at the forefront of financial planning research and practice.

Research has made significant progress in understanding the interaction between money and the psychosocial environment. However, little is known about how a virtual setting might enhance or detract from money conversations within the context of financial planning⁷.

The emergence of the COVID-19 pandemic in early 2020 accelerated the need for and use of virtual meeting technology as a means to facilitate financial planning engagements and nurture client relationships. Quite literally, this became a “sink or swim” experience for planners and clients alike. For both personal and professional reasons, individuals quickly learned how to navigate the nuances of virtual meeting platforms in order to communicate with friends, family, and service providers.

Financial Anxiety

When evaluating the influence of financial anxiety on the success and quality of planner/client relationships, it is important to understand that financial stress and financial anxiety are not the same:

While stress is the result of external stimuli perceived to pose some level of threat (with a corresponding response to the threat that may involve uncertainty about one's own ability to deal with the issue at hand), anxiety results from internal forces arising from unhealthy attitudes towards a particular idea or concept. Thus, while stress can be eliminated when the external stimuli are removed, the same is not necessarily true for anxiety. While an external stimulus might serve to trigger anxiety, removing it may have no effect on the anxiety since it is the internalized idea that causes the anxiety (versus the actual external trigger).⁸

A very important point about financial anxiety is that it can persist even after the “stress” has passed. In other words, when the external stress that caused financial stress is removed, the psychological damage it created can reemerge as long-term financial anxiety.

Cultural Differences and Institutional Barriers

Berkenmaier and Sherraden contend that cultural competence is critical for effective financial counseling, coaching, and planning. They explain that respect for and understanding cultural differences are essential in the planner/client relationship and necessary for building trust regarding sensitive financial matters.⁹

They describe cultural competence as the ability to act on an understanding of the specific cultural, language, social and economic nuances of particular people and families; and explain that cultural competence is growing in importance as the United States increasingly becomes a majority-minority nation.

Cultural competence involves the acquisition and career-long cultivation of knowledge about human diversity and cultural bias based on race, ethnicity, socioeconomic status, and other differences. Historical and cultural influences shape the beliefs, experiences, and financial practices of population groups. Combining self-awareness with understanding of these influences enables practitioners to guide client interactions.

II. Variables

This study includes three types of variables: independent, dependent, and mediator. In this phase of the study, the independent variables were two groups of communication tasks: 1) values and goal clarification and 2) qualitative data gathering. Two key dependent variables are client trust and commitment. Additional dependent variables were client retention, satisfaction, cooperation, openness to disclosing personal and financial information, and referrals. Mediator variables were not considered in the 2006 study. They were included in 2021 to evaluate the effects that virtual meeting navigation, client financial anxiety, and diversity, inclusion, and cultural awareness might have on the relationship between communication skills and client trust and commitment as well as other desirable outcomes.

A. Independent Variables

One of the areas we examined was the various communication skills that planners employ in developing client relationships and conducting the financial planning process. We selected these variables because they represent skills identified by communication experts as being especially important in facilitating good communication. We also believe these same skills are representative of the type of holistic, client-centered, values-based communication that is the hallmark of the life planning approach:

1. **Planner asks questions to make sure client understands recommendations*
2. **Planner asks the right questions to allow clients to open up*
3. **Planner uses strategic questions to gather important information about the client*
4. **Planner restates or paraphrases factual content of client conversations*
5. **Planner restates or paraphrases emotional themes underlying what client states*
6. **Planner is comfortable with clients expressing strong emotion*
7. **Planner tries to facilitate communication between spouses/partners about sensitive financial issues*

**Included in 2006 study and replicated in 2021 study*

B. Dependent Variables

As in the 2006 study, this study has two groups of dependent (outcome) variables that represent characteristics of successful planner/client relationships.

The first group of dependent variables relates to the critical outcomes of Client Trust and Commitment. Scales were used to measure each of these dependent variables:

1. *Client Trust Scale¹⁰
2. *Client Commitment Scale

**Included in 2006 study and replicated in 2021 study*

The second group of dependent variables featured seven “business case” variables that also represent successful planner/client relationships:

1. Client retention based on better communication
2. Client retention based on higher return
3. *Client satisfaction with planner/client relationship
4. *Client cooperation with financial planning recommendations
5. *Client openness in disclosing financial information
6. *Client openness in disclosing personal information
7. *Client referrals

**Included in 2006 study and replicated in 2021 study*

C. Mediator Variables

An addition to the 2021 study was the consideration of the potential effects of mediator variables. Mediator variables are also known as intervening variables because they can intervene in or influence the relationship between an independent and a dependent variable. Specifically:

*A **mediator variable** explains the how or why of an (observed) relationship between an independent variable and its dependent variable. In a **mediation model**, the independent variable cannot influence the dependent variable directly, and instead does so by means of a third variable, a “middle-man”.¹¹*

Mediator variables are discussed in greater detail in Chapter 2. In this study, we considered three categories of mediator variables: virtual meeting navigation, client financial anxiety, and diversity, inclusion, and cultural awareness. One category included multiple measures. Thus the influence of eight specific mediator variables was evaluated, considering perspectives of both planners and clients. Measures of the mediator variables are as follows:

1. Virtual Meeting Navigation (VM)
 - a. Clients: “Level of confidence in navigating virtual meeting platforms”
 - b. Planners: “Level of confidence in navigating virtual meeting platforms”

2. Client Financial Anxiety (FA)

- a. Clients: “Financial Anxiety Scale”
- b. Planners: “Percentage of clients who experience financial anxiety”

3. Diversity, Inclusion, and Cultural Awareness

Cultural Awareness (CA)

- a. Clients: “Planner recognizes limits that cultural differences can place on client relationships”
- b. Planners: “Planner recognizes limits that cultural differences can place on client “

Institutional Barriers (IB)

- a. Clients: “Planner is aware of institutional barriers that affect client”
- b. Planners: “Planner is aware of institutional barriers that affect client”

III. Analyses & Findings

Analyses in this section explored the effects of employing certain communication skills in promoting successful planner/client relationships. Univariate analyses indicated the frequency of client and planner responses. Bivariate analyses (Spearman Correlations) evaluated the direction and significance of the relationship between conversation topics, tasks, and skills and outcome variables of interest. A unique feature of the 2021 study is the use of trivariate analyses (using Structural Equation Modeling) to evaluate the effect of adding a third or mediating variable on the bivariate relationships.

This section presents the responses of both planners and clients regarding seven communications skills. We also present the results of analyses that identify statistically significant variable relationships and compare the perspectives of financial planners with financial planning clients. Results of the 2021 study and 2006 study are compared, with comments provided on notable differences. In addition, the effects of adding a third mediating variable to the bivariate relationships are reported.

A. Use of Questions

1. *Planner Asks Questions to Make Sure Clients Understand Recommendations*

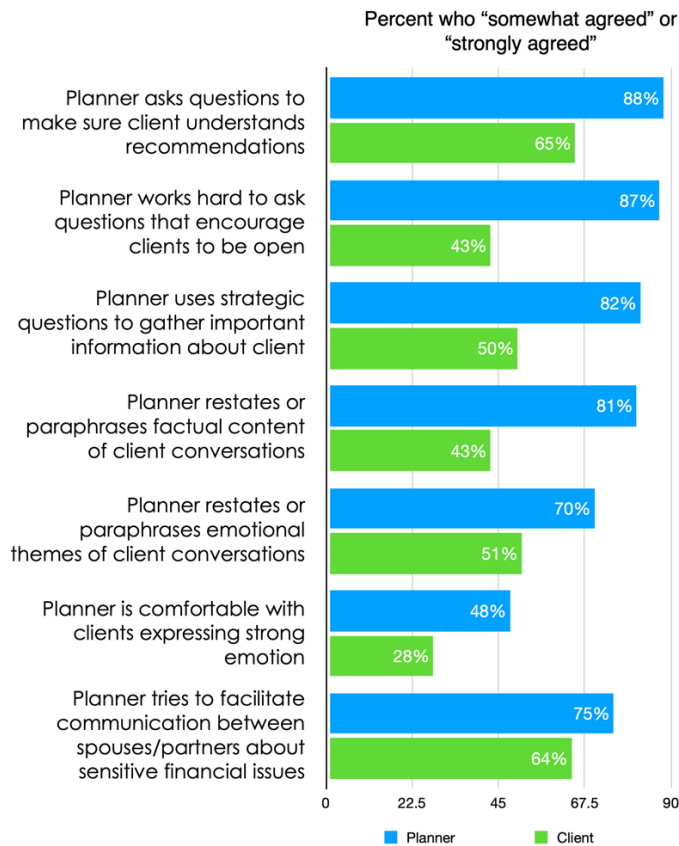
Opinions of Planners and Clients (univariate analyses)

Eighty-eight percent of planners indicated that they “somewhat agreed” to “strongly agreed” with the statement “I ask my clients questions to make sure they understand the recommendations I give them.” A lower percentage of clients (65 percent) expressed agreement or strong agreement with the matching statement in the client survey (see Figure 6-1).

Comparison to 2006 results: 82% of planners indicated agreement as compared to 84% of clients.

Figure 6-1: Communication Skills

Planner practices these communication strategies



Significant Relationships with Client Trust and Commitment (bivariate analyses)

Statistically significant correlations were found between planner and client responses and the scales that measured levels of client trust and client commitment. From the perspective of both planners and clients, the finding indicates that a direct and a positive relationship exists between higher levels *planner asks specific questions to make sure clients understand recommendations* and higher levels of client trust and client commitment (see Table 6-1 Part 1).

Comparison to 2006 results: both planner and client correlations were statistically significant for client trust and client commitment.

Significant Relationships with Other Important Outcomes. (bivariate analyses)

Planner Responses: Statistically significant correlations were also found between client and planner responses regarding *planner asks specific questions to make sure clients understand recommendations* and higher levels of six of the seven selected indicators of successful

planner/client relationships: 1) client retention based on communication, 2) satisfaction with planner/client relationship, 3) cooperation with financial planning recommendations, 4) openness in disclosing financial information, 5) openness to sharing personal goals, needs, and priorities, and 5) recommending planner to others (see Table 6-2 Part 1).

Comparison to 2006 results: all planner correlations were statistically significant.

Client Responses: Statistically significant correlations were found between client responses regarding *planner asks specific questions to make sure clients understand recommendations* and higher levels of six of the seven selected indicators of successful planner/client relationships: 1) client retention based on return, 2) satisfaction with planner/client relationship, 3) cooperation with financial planning recommendations, 4) openness in disclosing financial information, 5) openness to sharing personal goals, needs, and priorities, and 6) recommending planner to others (see Table 6-2 Part 1).

Comparison to 2006 results: all client correlations were statistically significant.

Mediating Variable Interactions with Client Trust and Commitment (trivariate analyses)

Planner Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *planner asks specific questions to make sure clients understand recommendations* and client commitment only (see Table 6-1 Part 1).

No mediating effects were observed for the variables that represented Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

Client Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships between *planner asks specific questions to make sure clients understand recommendations* and client trust only (see Table 6-1 Part 1).

No mediating effects were observed for Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

Mediating Variable Interactions with Other Important Outcomes (trivariate analyses)

Planner Responses: Virtual Meeting Navigation was the only variable that demonstrated a mediating effect on relationships between *planner asks specific questions to make sure clients understand recommendations* and one of seven selected indicators of successful planner/client relationships: 1) openness in disclosing financial information (see Table 6-2 Part 1).

No mediating effects were observed for the variables that represented Financial Anxiety, Cultural Awareness, or Institutional Barriers.

Client Responses: Virtual Meeting Navigation was the only variable that demonstrated a mediating effect on relationships between *planner asks specific questions to make sure clients understand recommendations* and two of the seven selected indicators of successful

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Table 6.1: Statistically Significant Relationships between Communication Skills and Client Trust and Commitment with Mediating Variable Interactions

Part 1

Communication Skill	Planner asks specific questions to make sure client understand recommendations		Planner asks the right questions to allow clients to open up		Planner uses strategic questions to gather important information about client		Planner restates or paraphrases factual content of client conversation	
Outcome	Planner	Client	Planner	Client	Planner	Client	Planner	Client
Trust Scale	$p < .0001$	$p < .0001$ VM	$p < .0001$ VM	$p < .0001$ FA	$p < .0001$	$p < .0001$ FA, IB	$p < .001$	$p < .0001$ FA
Commitment Scale	$p < .0001$ FA	$p < .0001$	$p < .0001$	$p < .0001$ FA	$p < .0001$	$p < .0001$ FA, IB	$p < .001$ FA	$p < .0001$ FA
*Variable Correlations: $p < .0001$ —statistical significance at .0001 level $p < .001$ —statistical significance at .001 level $p < .01$ —statistical significance at .01 level $p < .05$ —statistical significance a .05 level NS—Not significant at .05 level			Mediating Variable Interactions: VM = Virtual Meeting FA = Financial Anxiety CA = Cultural Awareness IB = Institutional Barriers					

*In statistics, a result is called statistically significant if it is unlikely to have occurred by chance. Therefore, the p values ($p < .0001$, $p < .001$, $p < .01$, and $p < .05$) are probabilities and refer to levels of significance. These mean that the chances of obtaining the measured associations due to sampling error are less than 1 in 1000, 1 in 100, and 5 in 100 respectively.

Table 6.1: Statistically Significant Relationships between Communication Skills and Client Trust and Commitment with Intervening Variable Interactions

Part 2

Communication Skill	Planner restates or paraphrases emotional themes underlying what client states		Planner is comfortable with client expressing strong emotion		Planner tries to facilitate communication between spouses/partners	
Outcome	Planner	Client	Planner	Client	Planner	Client
Trust Scale	$p < .0001$	$p < .0001$	$p < .0001$	$p < .01$ FA	$p < .0001$ VM	$p < .0001$ VM
Commitment Scale	$p < .0001$	$p < .0001$	$p < .0001$ FA	NS FA	$p < .0001$ VM, FA	$p < .01$ VM, FA
*Variable Correlations: $p < .0001$ —statistical significance at .0001 level $p < .001$ —statistical significance at .001 level $p < .01$ —statistical significance at .01 level $p < .05$ —statistical significance a .05 level NS—Not significant at .05 level			Intervening Variable Interactions: VM = Virtual Meeting FA = Financial Anxiety CA = Cultural Awareness IB = Institutional Barriers			

*In statistics, a result is called statistically significant if it is unlikely to have occurred by chance. Therefore, the p values ($p < .0001$, $p < .001$, $p < .01$, and $p < .05$) are probabilities and refer to levels of significance. These mean that the chances of obtaining the measured associations due to sampling error are less than 1 in 1000, 1 in 100, and 5 in 100 respectively.

planner/client relationships: 1) satisfaction with planner/client relationship and 2) openness to sharing personal goals, needs, and priorities (see Table 6-2 Part 1).

No mediating effects were observed for the variables that represented Client Financial Anxiety, Cultural Awareness, or Institutional Barriers.

2. Planner Asks Questions to Encourage Clients to be Open

Opinions of Planners and Clients (univariate analyses)

Eighty-seven percent of planners indicated that they “somewhat agreed” to “strongly agreed” with the statement, “I work hard at asking the right questions that will encourage my clients to be open with me.” In contrast, only 43 percent of clients indicated that they “somewhat agreed” to “strongly agreed” with the matching statement in the client survey: “My financial planner works hard at asking questions that encourage me to be open with them” (see Figure 6-1).

Comparison to 2006 results: 82% of planners indicated agreement as compared to 79% of clients.

Significant Relationships with Client Trust and Commitment (bivariate analyses)

Statistically significant correlations were found between planner and client responses and the scales that measured levels of client trust and client commitment. From the perspective of both planners and clients, the finding indicates that a direct and a positive relationship exists between higher levels of *planner asks the questions that encourage clients to be open* and higher levels of client trust and client commitment (see Table 6-1 Part 1).

Significant Relationships with Other Important Outcomes (bivariate analyses)

Planner Responses: Statistically significant correlations were found between *planner asks questions to encourage clients to open up* and higher levels of all seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, 3) satisfaction with planner/client relationship, 4) cooperation with financial planning recommendations, 5) openness in disclosing financial information, 6) openness to sharing personal goals, needs, and priorities, and 7) recommending planner to others (see Table 6-2 Part 1).

Comparison to 2006 results: all planner correlations were statistically significant.

Client Responses: Statistically significant correlations were found between *planner asks questions to encourage clients to be open* and higher levels of six of the seven selected indicators of successful planner/client relationships: 1) client retention based on return 2) satisfaction with planner/client relationship, 3) cooperation with financial planning recommendations, 4) recommending planner to others. 5) openness in disclosing financial information, and 6) openness to sharing personal goals, needs, and priorities (see Table 6-2 Part 1).

Comparison to 2006 results: all client correlations were statistically significant.

Mediating Variable Interactions with Client Trust and Commitment (trivariate analyses)

Planner Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships between *planner asks questions to encourage clients to be open* and client trust only (see Table 6-1, Part 1).

No mediating effects were observed for Client Financial Anxiety, Cultural Awareness, or Institutional Barriers.

Client Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *planner asks questions to encourage clients to be open* on both client trust and client commitment (see Table 6-1, Part 1).

No mediating effects were observed for the variables that represented Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

Table 6.2.: Statistically Significant Relationships between Communication Skills and Important Outcomes of Planner/Client Relationships with Mediating Variable Interactions

Part 1

Communication Skill	Planner asks specific questions to make sure client understand recommendations		Planner asks the right questions to allow clients to open up		Planner uses strategic questions to gather important information about client		Planner restates or paraphrases factual content of client conversation	
Outcome	Planner	Client	Planner	Client	Planner	Client	Planner	Client
Retention - Communication	$p < .0001$	NS	$p < .001$	NS FA	$p < .0001$	NS FA	$p < .01$	NS FA
Retention - Return	NS	$p < .05$	$p < .0001$	$p < .01$ FA	$p < .01$	NS FA	NS	NS FA
Satisfaction w/relationship	$p < .0001$	$p < .0001$ VM	$p < .0001$ VM	$p < .0001$ FA	$p < .0001$	$p < .0001$ VM, FA	$p < .0001$	$p < .0001$ FA
Cooperation w/recommendations	$p < .0001$	$p < .0001$	$p < .0001$ FA	$p < .0001$ FA	$p < .0001$	$p < .0001$ FA	$p < .0001$ FA	$p < .0001$ FA
Referrals	$p < .0001$	$p < .0001$	$p < .0001$	$p < .0001$	$p < .0001$	$p < .0001$	$p < .0001$	NS
Openness - Financial	$p < .0001$ VM	$p < .0001$	$p < .0001$ FA, VM	$p < .0001$ FA	$p < .0001$	$p < .0001$ FA	$p < .0001$ FA,	$p < .001$ FA
Openness - Personal	$p < .0001$	$p < .0001$ VM	$p < .0001$	$p < .0001$ FA	$p < .0001$	$p < .0001$ VM, FA	$p < .0001$	$p < .0001$ FA,
*Variable Correlations: $p < .0001$ —statistical significance at .0001 level $p < .001$ —statistical significance at .001 level $p < .01$ —statistical significance at .01 level $p < .05$ —statistical significance at .05 level NS—Not significant at .05 level			Mediating Variable Interactions: VM = Virtual Meeting FA = Financial Anxiety CA = Cultural Awareness IB = Institutional Barriers					

*In statistics, a result is called statistically significant if it is unlikely to have occurred by chance. Therefore, the p values ($p < .0001$, $p < .001$, $p < .01$, and $p < .05$) are probabilities and refer to levels of significance. These mean that the chances of obtaining the measured associations due to sampling error are less than 1 in 1000, 1 in 100, and 5 in 100 respectively.

Table 6.2.: Statistically Significant Relationships between Communication Skills and Important Outcomes of Planner/Client Relationships with Mediating Variable Interactions

Part 2

Communication Skill	Planner restates or paraphrases emotional themes underlying what client states		Planner is comfortable with client expressing strong emotion		Planner tries to facilitate communication between spouses/partners	
Outcome	Planner	Client	Planner	Client	Planner	Client
Retention - Communication	$p < .0001$	NS	NS	$p < .0001$ FA	$p < .0001$	NS
Retention - Return	$p < .05$	NS	$p < .001$	$p < .0001$ FA	$p < .0001$	NS
Satisfaction w/relationship	$p < .0001$	$p < .0001$	NS	$p < .05$ FA	$p < .0001$ VM, CA	$p < .0001$ VM
Cooperation w/recommendations	$p < .0001$	$p < .0001$	NS FA	$p < .05$ FA	$p < .0001$ FA	$p < .0001$ VM
Referrals	$p < .0001$	NS	NS	NS FA	$p < .01$	$p < .0001$ VM, IB
Openness - Financial	$p < .0001$	$p < .001$	$p < .0001$ FA	NS FA	$p < .0001$ FA, CA	NS
Openness - Personal	$p < .0001$	$p < .0001$	$p < .001$	$p < .05$ FA	$p < .0001$ VM	$p < .0001$ VM, CA
*Variable Correlations: $p < .0001$ —statistical significance at .0001 level $p < .001$ —statistical significance at .001 level $p < .01$ —statistical significance at .01 level $p < .05$ —statistical significance at .05 level NS—Not significant at .05 level		Intervening Variable Interactions: VM = Virtual Meeting FA = Financial Anxiety CA = Cultural Awareness IB = Institutional Barriers				

*In statistics, a result is called statistically significant if it is unlikely to have occurred by chance. Therefore, the p values ($p < .0001$, $p < .001$, $p < .01$, and $p < .05$) are probabilities and refer to levels of significance. These mean that the chances of obtaining the measured associations due to sampling error are less than 1 in 1000, 1 in 100, and 5 in 100 respectively.

Mediating Variable Interactions with Other Important Outcomes (trivariate analyses)

Planner Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *planner asks questions to encourage clients to be open* and two of seven selected indicators of successful planner/client relationships: 1) cooperation with financial planning recommendations and 2) openness in disclosing financial information (see Table 6-2, Part 1).

Virtual Meeting Navigation demonstrated a mediating effect on relationships between *planner asks questions to encourage clients to be open* and two of the seven selected indicators of successful planner/client relationships: 1) satisfaction with planner/client relationship 2) openness in disclosing financial information (see Table 6-2, Part 1).

No mediating effects were observed for the variables that represented Cultural Awareness, or Institutional Barriers.

Client Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *planner asks questions to encourage clients to be open* and six of the seven selected

indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, 3) satisfaction with planner/client relationship, 4) cooperation with financial planning recommendations, 5) openness in disclosing financial information, and 6) openness to sharing personal goals, needs, and priorities (see Table 6-2, Part 1).

No mediating effects were observed for the variables that represented Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

3. Planner Uses Strategic Questions to Gather Important Information about Client(s)

Opinions of Planners and Clients (univariate analyses)

Eighty-two percent of planners indicated that they “somewhat agreed” to “strongly agreed” with the statement “I use strategic questions to gather important questions about my clients.” However, only 50 percent of clients indicated that their financial planners usually or always practice this communication skill (see Figure 6-1).

Comparison to 2006 results: 75% of planners indicated agreement as compared to 81% of clients.

Significant Relationship with Client Trust and Commitment (bivariate analyses)

Statistically significant correlations were found between both planner and client responses and the scales that measured levels of client trust and client commitment. This finding indicates, from the perspective of both planners and clients, a direct and a positive relationship exists between higher levels of *planner uses strategic questions to gather important information about clients* and higher levels of client trust and client commitment (see Table 6-1 Part 1).

Comparison to 2006 results: both planner and client correlations were statistically significant for client trust and client commitment.

Significant Relationship with Other Important Outcomes. (bivariate analyses)

Planner Responses: Statistically significant correlations were found *planner uses strategic questions to gather important information about clients* and higher levels of all seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, 3) satisfaction with planner/client relationship, 4) cooperation with financial planning recommendations, 5) openness in disclosing financial information, 6) openness to sharing personal goals, needs, and priorities, and 7) recommending planner to others (see Table 6-2 Part 1).

Comparison to 2006 results: Four of six planner correlations were statistically significant: 1) client retention, 2) satisfaction with planner/client relationship, 3) openness in disclosing financial information, and 4) openness to sharing personal goals, needs, and priorities.

Client Responses: Statistically significant correlations were found between *planner uses strategic questions to gather important information about clients* and higher levels of five of the seven selected indicators of successful planner/client relationships 1) satisfaction with

planner/client relationship, 2) cooperation with financial planning recommendations, 3) recommending planner to others, 4) openness in disclosing financial information, and 5) openness to sharing personal goals, needs, and priorities (see Table 6-2 Part 1).

Comparison to 2006 results: Two of six client correlations were statistically significant: 1) cooperation with financial planning recommendations and 2) recommending planner to others

Mediating Variable Interactions with Client Trust and Commitment (trivariate analyses)

Planner Responses: No mediating effects were observed for Client Financial Anxiety, Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers (see Table 6-2, Part 1).

Client Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *planner uses strategic questions to gather important information about clients* and both client trust and client commitment (see Table 6-2, Part 1).

Institutional Barriers demonstrated a mediating effect on relationships between *planner uses strategic questions to gather important information about clients* and both client trust and client commitment (see Table 6-2, Part 1).

No mediating effects were observed for the variables that represented Virtual Meeting Navigation or Cultural Awareness.

Mediating Variable Interactions with Other Important Outcomes (trivariate analyses)

Planner Responses: No mediating effects were observed Financial Anxiety, Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers (see Table 6-2 Part 1).

Client Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *planner uses strategic questions to gather important information about clients* and six of the seven selected indicators of successful planner/client relationships 1) client retention based on communication, 2) client retention based on return, 3) satisfaction with planner/client relationship, 4) cooperation with financial planning recommendations, 5) openness in disclosing financial information, and 6) openness to sharing personal goals, needs, and priorities (see Table 6-2, Part 1).

Virtual Meeting Navigation demonstrated a mediating effect on relationships between *planner uses strategic questions to gather important information about clients* and two of seven selected indicators of successful planner/client relationships: 1) satisfaction with planner/client relationship, and 2) openness to sharing personal goals, needs, and priorities.

No mediating effects were observed for the variables that represented Cultural Awareness or Institutional Barriers (see Table 6-2 Part 1).

B. Verbal Pacing Techniques

1. Planner Restates or Paraphrases Factual Content of Client Conversations

Opinions of Planners and Clients (univariate analyses)

Eighty-one percent of planners indicated that they “somewhat agreed” to “strongly agreed” with the statement “I restate or paraphrase the factual content of our planning conversations.” In response to the matching statement on the client survey, only 43% percent of respondents agreed that their financial planner usually or always restates or paraphrases the factual content of their conversations (see Figure 6-1).

Comparison to 2006 results: 81% of planners indicated agreement as compared to 43% of clients.

Significant Relationships with Client Trust and Commitment (bivariate analyses)

Statistically significant correlations were found between planner and client responses and the scales that measured levels of client trust and client commitment. From the perspective of both planners and clients, the finding indicates a direct and a positive relationship exists between higher levels of *planner restates or paraphrases factual content of client conversations* and higher levels of client trust and client commitment (see Table 6-1 Part 1).

Comparison to 2006 results: both planner and client correlations were statistically significant for client trust and client commitment.

Significant Relationships with Other Important Outcomes: (bivariate analyses)

Planner Responses: Statistically significant correlations were also found *planner restates or paraphrases factual content of client conversations* and higher levels of six of the seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) satisfaction with planner/client relationship, 3) cooperation with financial planning recommendations, 4) openness in disclosing financial information, 5) openness to sharing personal goals, needs, and priorities, and 5) recommending planner to others (see Table 6-2 Part 1).

Comparison to 2006 results: Five of six planner correlations were statistically significant: 1) client retention, 2) satisfaction with planner/client relationship, 3) cooperation with financial planning recommendations, 4) openness in disclosing financial information, and 5) openness to sharing personal goals, needs, and priorities.

Client Responses: Statistically significant correlations were found between *planner restates or paraphrases factual content of client conversations* and higher levels of five of the seven selected indicators of successful planner/client relationships 1) satisfaction with planner/client relationship, 2) cooperation with financial planning recommendations, 3) recommending planner to others. 4) openness in disclosing financial information, and 5) openness to sharing personal goals, needs, and priorities (see Table 6-2 Part 1).

Comparison to 2006 results: Three of six client correlations were statistically significant: 1) satisfaction with planner/client relationship, 2) cooperation with financial planning recommendations, and 3) recommending planner to others.

Mediating Variable Interactions with Client Trust and Commitment (trivariate analyses)

Planner Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between this communication skill *planner restates or paraphrases factual content of client conversations* and client commitment only (see Table 6-1 Part 1).

No mediating effects were observed for the variables that represented Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

Client Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *planner restates or paraphrases factual content of client conversations* and both client trust and client commitment (see Table 6-1, Part 1).

No mediating effects were observed for the variables that represented Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

Mediating Variable Interactions with Other Important Outcomes (trivariate analyses)

Planner Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *planner restates or paraphrases factual content of client conversations* and two of the seven selected indicators of successful planner/client relationships: 1) cooperation with financial planning recommendations and 2) openness in disclosing financial information (see Table 6-2, Part 1).

No mediating effects were observed for the variables that represented Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

Client Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between this communication skill *planner restates or paraphrases factual content of client conversations* and six of the seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, 3) satisfaction with planner/client relationship, 4) cooperation with financial planning recommendations, 5) openness in disclosing financial information, and 6) openness to sharing personal goals, needs, and priorities (see Table 6-2, Part 1).

No mediating effects were observed for Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

2. Planner Restates or Paraphrases Emotional Themes Underlying Client Conversations

Opinions of Planners and Clients (univariate analyses)

Seventy percent of planners responded that they “somewhat agreed” to “strongly agreed” with the statement “I restate or paraphrase the emotional themes of our planning conversations.” On the other hand, only 51 percent of clients responded that they “somewhat agreed” to “strongly

agreed” with the statement: *their planner restates or paraphrases the emotional themes underlying their planning conversations* (see Figure 6-1).

Comparison to 2006 results: 81% of planners indicated agreement as compared to 43% of clients.

Significant Relationships with Client Trust and Commitment (bivariate analyses)

Statistically significant correlations were found between planner and client responses and the scales that measured levels of client trust and client commitment. From the perspective of both planners and clients, the finding indicates that a direct and a positive relationship exists between higher levels of *planner restates emotional themes of client conversations* and higher levels of client trust and client commitment (see Table 6-1, Part 2).

Comparison to 2006 results: both planner and client correlations were statistically significant for client trust and client commitment.

Significant Relationships with Other Important Outcomes (bivariate analyses)

Planner Responses: Statistically significant correlations were found between *planner restates the emotional themes of planning conversations* and higher levels of all seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, 3) satisfaction with planner/client relationship, 4) cooperation with financial planning recommendations, 5) openness in disclosing financial information, 6) openness to sharing personal goals, needs, and priorities, and 7) recommending planner to others” (see Table 6-2 Part 2).

Comparison to 2006 results: all planner correlations were statistically significant.

Client Responses: Statistically significant correlations were found between *planner restates the emotional themes of planning conversations* and four of the seven selected indicators of successful planner/client relationships: 1) satisfaction with planner/client relationship, 2) cooperation with financial planning recommendations, 3) openness in disclosing financial information. and 4) openness to sharing personal goals, needs, and priorities (see Table 6-2 Part 2).

Comparison to 2006 results: Two of six client correlations were statistically significant: 1) satisfaction with planner/client relationship, and 2) cooperation with financial planning recommendations.

Mediating Variable Interactions with Client Trust and Commitment (trivariate analyses)

Planner Responses: No mediating effects were observed for Virtual Meeting Navigation, Client Financial Anxiety, Cultural Awareness, or Institutional Barriers (see Table 6-1, Part 2).

Client Responses: No mediating effects were observed for Virtual Meeting Navigation, Client Financial Anxiety, Cultural Awareness, or Institutional Barriers

Mediating Variable Interactions with Other Important Outcomes (trivariate analyses)

Planner Responses: No mediating effects were observed for Virtual Meeting Navigation, Client Financial Anxiety, Cultural Awareness, or Institutional Barriers (see Table 6-2, Part 2).

Client Responses: No mediating effects were observed for Virtual Meeting Navigation, Client Financial Anxiety, Cultural Awareness, or Institutional Barriers (see Table 6-2, Part 2).

C. Dealing with Emotions/Sensitive Issues

1. Planner Comfort with Client Expressing Strong Emotions

Opinions of Planners and Clients (univariate analyses)

Forty-eight percent of planners indicated that they “somewhat agreed” to “strongly agreed” with the statement: “I am very comfortable when my clients express strong emotion (e.g., cry, anger, sadness, fear).” A much lower percentage of clients (28 percent) indicated that they “somewhat agreed” to “strongly agreed” to the matching statement on the client survey: “I think my financial planner would be very comfortable if I were to express strong emotion (e.g., cry, get angry)” (see Figure 6-1).

Comparison to 2006 results: 45% of planners indicated agreement as compared to 50% of clients.

Significant Relationships with Client Trust and Commitment (bivariate analyses)

Statistically significant correlations were found between planner and client responses and the scale that measured levels of client trust. From the perspective of both planners and clients, the finding indicates that a direct and a positive relationship exists between higher levels of *planner comfort with client emotions* and higher levels of client trust.

However, a statistically significant correlation was only found between the scale that measures client commitment and planner responses (see Table 6-1 Part 2).

Comparison to 2006 results: planner correlations were not statistically significant for client trust or client commitment; client correlations were statistically significant for both client trust and client commitment.

Significant Relationships with Other Important Outcomes (bivariate analyses)

Planner Responses: Statistically significant correlations were found between *planner comfort with client expressing strong emotions* and three of the seven selected indicators of successful planner/client relationships: 1) client retention based on return, 2) openness to sharing personal goals, needs, and priorities, and 3) openness to sharing personal goals, needs, and priorities (see Table 6-2 Part 2).

Comparison to 2006 results: Only one of six planner correlations were statistically significant: 1) openness to sharing personal goals, needs, and priorities.

Client Responses: Statistically significant correlations were found between *planner comfort with client expressing strong emotions* and five of the seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, 3) satisfaction with planner/client relationship, 4) cooperation with financial planning recommendations, and 5) openness to sharing personal goals, needs, and priorities (see Table 6-2 Part 2).

Comparison to 2006 results: Five of six planner correlations were statistically significant: 1) client retention, 2) cooperation with financial planning recommendations, 3) openness in disclosing financial information, 4) openness to sharing personal goals, needs, and priorities, and 5) recommending planner to others.

Mediating Variable Interactions with Client Trust and Commitment (trivariate analyses)

Planner Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *planner comfort with client expressing strong emotions* and client commitment only (see Table 6-1 Part 2).

No mediating effects were observed for Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

Client Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *planner comfort with client expressing strong emotions* and both client trust and client commitment (see Table 6-1 Part 2).

No mediating effects were observed for Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

Mediating Variable Interactions with Other Important Outcomes (trivariate analyses)

Planner Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *planner comfort with client expressing strong emotions* and two of the seven selected indicators of successful planner/client relationships: 1) cooperation with financial planning recommendations and 2) openness in disclosing financial information (see Table 6-2 Part 2).

No mediating effects were observed for Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

Client Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *planner comfort with client expressing strong emotions* and all seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, 3) satisfaction with planner/client relationship, 4) cooperation with financial planning recommendations, 5) recommending planner to others, 6) openness in disclosing financial information, and 7) openness to sharing personal goals, needs, and priorities (see Table 6-2 Part 2).

No mediating effects were observed for Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

2. Planner Tries to Facilitate Communication between Spouses/Partners about Sensitive Financial Issues

Opinions of Planners and Clients (univariate analyses)

Seventy-five percent of planners indicated that they “somewhat agreed” to “strongly agreed” with the statement “I try hard to facilitate communication between spouses/partners about sensitive financial issues.” A somewhat lower percentage of clients (64 percent) indicated that they “somewhat agreed” to “strongly agreed” with a similar statement on the client survey: “My financial planner is very good at facilitating communication between my spouse/partner and me about sensitive financial issues” (see Figure 6-1).

Significant Relationships with Client Trust and Commitment (bivariate analyses)

Statistically significant correlations were found between planner and client responses and the scales that measured levels of client trust and client commitment. From the perspective of both planners and clients, the finding indicates that a direct and a positive relationship exists between higher levels of *facilitating communication between spouses/partners about sensitive financial issues* and higher levels of client trust and client commitment (see Table 6-1 Part 2).

Significant Relationships with Other Important Outcomes (bivariate analyses)

Planner Responses: Statistically significant correlations were also found between planner *facilitating communication between spouses/partners about sensitive financial issues* and higher levels of all seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, 3) satisfaction with planner/client relationship, 4) cooperation with financial planning recommendations, 5) openness in disclosing financial information, 6) openness to sharing personal goals, needs, and priorities, and 7) recommending planner to others” (see Table 6-2 Part 2).

Client Responses: Statistically significant correlations were found between *facilitating communication between spouses/partners about sensitive financial issues* and four of the seven selected indicators of successful planner/client relationships: 1) satisfaction with planner/client relationship, 2) cooperation with financial planning recommendations, 3) openness to sharing personal goals, needs, and priorities, and 4) recommending planner to others.” The exceptions were three exception were 1) client retention based on communication, 2) client retention based on return, and 3) openness in disclosing financial information” (see Table 6-2 Part 2).

Mediating Variable Interactions with Client Trust and Commitment (trivariate analyses)

Planner Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships between *facilitating communication between spouses/partners about sensitive financial issues* and client trust and client commitment (see Table 6-1 Part 2).

Client Financial Anxiety demonstrated a mediating effect on relationships between *facilitating communication between spouses/partners about sensitive financial issues* and client commitment only (see Table 6-1 Part 2).

No mediating effects were observed for Cultural Awareness, or Institutional Barriers.

Client Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *facilitating communication between spouses/partners about sensitive financial issues* and both client trust and client commitment (see Table 6-1 Part 2).

No mediating effects were observed for Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

Mediating Variable Interactions with Other Important Outcomes (trivariate analyses)

Planner Responses: Client Financial Anxiety demonstrated a mediating effect on relationships *facilitating communication between spouses/partners about sensitive financial issues* and two of the seven selected indicators of successful planner/client relationships: 1) cooperation with financial planning recommendations and 2) openness in disclosing financial information (see Table 6-2, Part 2).

Virtual Meeting Navigation demonstrated a mediating effect on relationships between *facilitating communication between spouses/partners about sensitive financial issues* and two of the seven selected indicators of successful planner/client relationships: 1) satisfaction with planner/client relationship, and 2) openness to sharing personal goals, needs, and priorities (see Table 6-2, Part 2).

Cultural Awareness demonstrated a mediating effect on relationships *between facilitating communication between* selected indicators of successful planner/client relationships: variables: 1) satisfaction with planner/client relationship, and 2) openness in disclosing financial information (see Table 6-2, Part 2).

No mediating effects were observed for Institutional Barriers.

Client Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships between *facilitating communication between spouses/partners about sensitive financial issues* four of seven selected indicators of successful planner/client relationships: 1) satisfaction with planner/client relationship, 2) cooperation with financial planning recommendations, 3) recommending planner to others, and 4) openness to sharing personal goals, needs, and priorities (see Table 6-2, Part 2).

Institutional Barriers demonstrated a mediating effect on relationships between *facilitating communication between spouses/partners about sensitive financial issues* and one of seven selected indicators of successful planner/client relationships: 1) recommending planner to others (see Table 6-2, Part 2).

Cultural Awareness demonstrated a mediating effect on relationships between *facilitating communication between spouses/partners about sensitive financial issues* and one of seven selected indicators of successful planner/client relationships: 1) openness to sharing personal goals, needs, and priorities (see Table 6-2, Part 2).

No mediating effects were observed for Client Financial Anxiety.

IV. Summary of Results

In this phase of the research, we explored the effectiveness of select communication skills in promoting effective communication strategies and successful planner/client relationships. This section provides a summary of statistical analyses.

A. Use of Questions

Univariate Analyses

Figure 6-1 provides an overview of the communication skills examined in this phase of our research and displays a comparison of planner and client viewpoints. Three of these variables were focused on the use of questions:

1. Planner asks questions to make sure client understands recommendations
2. Planner asks the right questions to allow clients to open up
3. Planner uses strategic questions to gather important information about the client

What is immediately apparent is the difference in opinions between planners and clients regarding planners use of these questions in client interactions. Planners rated themselves much higher than clients did for engaging in this type of inquiry. The difference of opinion ranged from 23 to 44 percentage points, with the widest disparity in opinion occurring in response to *planner works hard at asking questions that encourage clients to be open*.

These three “use of questions” variables were also analyzed in the 2006 study. However, the results were quite different. In 2006, clients rated planners much higher on all three survey items, and levels of agreement varied by only a few percentage points.

Bivariate Analyses

Client Trust and Commitment. The first phase of bivariate analyses examined the relationships between client trust and client commitment and the application of the three “use of question” variables noted above. A review of Table 6-1 Part 1 indicates that planner and client responses regarding “use of question” communication skills demonstrated highly significant correlations with both client trust and client commitment. In other words, communication skills focused on 1) asking questions to make sure the client understands recommendations, 2) asking the right questions to allow clients to open up, and 3) uses strategic questions to gather important information about the client are all highly influential in developing client trust and commitment.

These results closely matched what was observed in analyses of 2006 data with this one exception: client responses indicated that the relationship between client trust and *planner uses strategic questions to gather important information about the client* was not statistically significant.

Other Important Outcomes. In addition, a review of the high number of statistically significant relationships between the three “use of question” variables and all seven indicators of successful planner/client relationships (see Table 6-2 Part 1) verify that clients highly value planners who skillfully use questions to facilitate relationship development. Interestingly, of the 42 variable relationships featured in Table 5-2, only three were not statistically significant. These results closely matched 2006 bivariate analyses of the same variables.

Trivariate Analyses

A new feature included in the 2021 study was examination of the mediation role of selected variables: Virtual Meeting Navigation, Client Financial Anxiety, Cultural Awareness, and Institutional Barriers.

Client Trust and Commitment. In this phase of the analyses, we evaluate the influence of these mediators between client trust and commitment and the three “use of question” communication skills. Of the 12 “use of question” variable relationships displayed on Table 6-1 Part 1, ten indicated the influence of one or more of the mediator variables. Client Financial Anxiety demonstrated the highest number (10) of mediating interactions.

Other Important Outcomes. In addition, a review of the 42 variable relationships displayed in Table 6-2 Part 1 indicates that 21 of the relationships between the outcome variables and the three “use of question” communication skills were influenced by one or more mediator variables. These mediated interactions were with Client Financial Anxiety (14) and Virtual Meeting Navigation (7).

B. Verbal Pacing Techniques

Univariate Analyses

Figure 6-1 provides an overview of the communication skills examined in this phase of our research and displays a comparison of planner and client viewpoints. Three of these variables were focused on the use of questions:

1. Planner restates or paraphrases factual content of client conversations
2. Planner restates or paraphrases emotional themes underlying client conversations

What is immediately apparent is the difference in opinions between planners and clients regarding planner use of verbal pacing in client interactions. Planners rated themselves much higher than clients did for making use of this communication skill. The difference of opinion ranged from 19 to 38 percentage points, with the widest disparity in opinion occurring in response to *planner restates or paraphrases emotional themes underlying client conversations*

These two “verbal pacing” variables were also analyzed in the 2006 study. Clients rated planners much higher for *restates or paraphrases factual content of client conversations*, and levels of agreement between planners and were much more closely aligned (81% for planners and 84% for clients) than in the 2021 study. However, 2006 results for *planner restates or paraphrases emotional themes underlying client conversations* (70% for planners and 52% for clients) were nearly identical to 2021 results.

Bivariate Analyses

Client Trust and Commitment. The first phase of bivariate analyses examined the relationships between client trust and client commitment and the application of the two “verbal pacing” variables noted above. A review of Table 6-1 Part 1 and Part 2 indicates that planner and client responses regarding “verbal pacing” communication skills demonstrated highly significant correlations with both client trust and client commitment.

In other words, communication skills focused on 1) restating or paraphrasing factual content of client conversations and 2) restating or paraphrasing emotional themes underlying client conversations are highly influential in developing client trust and commitment. Results somewhat varied from what was observed in analyses of 2006 data in that client responses indicated that relationships between client trust and both “verbal pacing variables” were not statistically significant.

Other Important Outcomes. A review of the correlations between selected “verbal pacing” variables and all seven indicators of successful planner/client relationships (see Table 6-2 Part 1 and Part 2) indicates a considerable difference in planner views versus client views. Regarding the skill *planner restates or paraphrases factual content of client conversations* restating, planner responses demonstrated statistically significant relationships with six out of seven important outcome variables as compared to only four significant relationships for clients. In addition, planner responses to *planner restates emotional themes of client conversations* demonstrated statistically significant relationships for all seven outcome variables compared to only four significant relationships for clients. These findings imply that clients are not as convinced as planners that these skills are being implemented in planner/client communications. In addition, these results are quite similar to the 2006 survey responses pointing to the continued need for improvement in this area.

Trivariate Analyses

A new feature included in the 2021 study was the examination of the mediation role of selected variables: Virtual Meeting Navigation, Client Financial Anxiety, Cultural Awareness, and Institutional Barriers.

Client Trust and Commitment. In this phase of the analyses, we evaluate the influence of these mediators between client trust and commitment and the two “verbal pacing” communication skills. Of the eight “verbal pacing” variable relationships displayed on Table 6-1 Part 1 and Part 2, only three indicated the influence of a single mediator variable: Client Financial Anxiety. In

addition, these mediating interactions were only observed in variable relationships involving *planner restates or paraphrases factual content of client conversations*.

Other Important Outcomes. A review of 28 variable relationships displayed in Table 6-2 Part 1 and Part 2 indicates that eight of the relationships between the outcome variables and the two “verbal pacing” communication skills were influenced by only one mediator variable, Client Financial Anxiety. In addition, these mediated interactions were only observed for *planner restates or paraphrases factual content of client conversations*.

C. Dealing with Emotions/Sensitive Issues

Univariate Analyses

Figure 6-1 provides an overview of the communication skills examined in this phase of our research and displays a comparison of planner and client viewpoints. Two of these variables focused on emotions and sensitive issues:

1. Planner is comfortable with clients expressing strong emotion
2. Planner tries to facilitate communication between spouses/partners about sensitive financial issues

What is immediately apparent is the difference in opinions between planners and clients regarding planners dealing with emotional and sensitive issues. Only 48% of planners agreed that they were comfortable with clients’ express emotion, but clients rated planners even lower, with only 28% agreeing that their planners are comfortable with expressions of emotion. Planners and clients were closer in agreement about planners’ ability to facilitate communication between spouses/partners about sensitive issues (75% of planners agreed vs. 64% of clients). These two “emotional and sensitive issues” variables were also analyzed in the 2006 study with similar response rates for both planners and clients.

Bivariate Analyses

Client Trust and Commitment. The first phase of bivariate analyses examined the relationships between client trust and client commitment and the application of two communication skills related to dealing with strong emotions and communication about sensitive issues. A review of Table 6-1, Part 2 indicates that planner and client responses regarding these issues demonstrated highly significant correlations with both client trust and client commitment except for a non-significant relationship between client commitment and clients’ evaluation of *planner tries to facilitate communication between spouses/partners about sensitive financial issues*. Results differed somewhat in 2006 data analyses where two non-significant relationships were also connected to client responses but were related to relationships between client trust and 1) *planner is comfortable with clients expressing strong emotion* and 2) *planner tries to facilitate communication between spouses/partners about sensitive financial issues*.

Other Important Outcomes. A review of the correlations between selected “dealing with emotions/sensitive issues” variables and all seven indicators of successful planner/client

relationships (see Table 5-2) indicates some difference in planner views versus client views. Regarding the skill, *planner is comfortable with client expressing strong emotion*, planner and client responses demonstrated statistically significant relationships with five out of seven important outcome variables. However, planner responses to *planner tries to facilitate communication between spouses/partners* demonstrated statistically significant relationships for all seven outcome variables compared to only four significant relationships for clients. These findings imply that clients are either observing this communication skill in planner interactions or see its value in relationship to the particular outcome measures included in this study. In addition, these results are quite similar to 2006 survey responses, points to the continued need for improvement in this area.

Trivariate Analyses

A new feature included in the 2021 study was the examination of the mediation role of selected variables: Virtual Meeting Navigation, Client Financial Anxiety, Cultural Awareness, and Institutional Barriers.

Client Trust and Commitment. In this phase of the analyses, we evaluate the influence of these mediators between client trust and commitment and the two communication skills related to dealing with strong emotions and facilitating communication about sensitive issues. Of the eight variable relationships displayed on Table 6-1 Part 2, five indicated the influence of one or more of the mediator variables. Client Financial Anxiety demonstrated five mediating interactions, and Institutional Barriers demonstrated two mediating interactions.

Other Important Outcomes. In addition, a review of the 28 variable relationships displayed in Table 6-2 Part 2 indicates that 17 of the relationships between the outcome variables and the “dealing with emotions/sensitive issues” communication skills were influenced by one or more mediator variables. Most of these mediated interactions were with Client Financial Anxiety (11) and Virtual Meeting Navigation (6).

V. Conclusions & Recommendations

This chapter presented the context and conceptual framework used to explore the efficacy of selected communication skills related to developing client trust and commitment and additional indicators of successful planner/client relationships. The number of statistical analyses conducted and reports generated for this study were voluminous. However, in this section, we would like to offer our thoughts and observations regarding two traits that have a profound influence on the ability of financial planners to be skillful communicators: 1) comfort with emotion and 2) genuine curiosity. We also make recommendations that will prepare them to meet and exceed their clients’ ever-changing needs and expectations—now and in the future.

Comfort with Emotion

This study examined a large number of communication variables and surveyed both planners and clients. The goal was to identify specific elements of communication that influence higher levels

of client trust and commitment and other important indicators of highly successful client relationships such as retention and referrals.

After reviewing the findings, one area in particular, “comfort with emotion,” struck us as a serious communication challenge for most financial planners. Specifically, 48 percent of the financial planners who participated in the study either “agreed” or “strongly agreed” with the statement, “I am comfortable when my clients express strong emotion (e.g., cry, get angry).” In addition, only 28 percent of client respondents perceived their financial planners to be comfortable with displays of emotion. Nonetheless, bivariate analyses of both planner and client responses indicated statistically significant relationships between “comfort with emotion” and the development of client trust.

We concluded that most financial planners underestimate the value clients place on having a comfortable and skillful planner in dealing with emotionally charged and sensitive issues. Planners also tend to underestimate the potential rewards of developing more successful and mutually satisfying long-term client relationships.

A 2018 Boston Private study, “The Why of Investing,”¹² also shed light on the need for financial advisors to pay more attention to the emotional factors that underlie their clients’ relationships with wealth. Commenting on the results of the survey, David Murphy, Head of Wealth Advisory at Boston Private, wrote the following:

... a huge part of how individuals view their wealth is not practical, but rather psychological, and for advisors to truly serve their clients they must also have the “emotional intelligence” to understand how their clients truly feel and perceive their wealth.

He explained that for advisors to be indispensable to their clients; they must not only advise on ways to grow wealth but—more importantly—offer that advice in the context of their clients’ values, priorities, and larger life goals.

To be sure, it’s not always easy to apply emotional intelligence in our work, as the demands on investment performance can be all-consuming. But as returns become ever more predictable and achievable as aided by technology, it’s the non-numerical insight that will grow in value.

Murphy concluded, “Getting a client to be both financially and emotionally aligned with their portfolios can be a covetable ability.” Therefore, with these powerful incentives in mind, how does a financial advisor go about building his/her level of comfort with client emotions?

The first step is to accept that money and emotion are inextricably intertwined—it is simply unavoidable. It is also important to accept displays of emotion as being “normal” and rarely a symptom of dysfunction. In fact, emotions are an inevitable component of long-term client relationships. In *Lighting the Torch*, authors George Kinder and Susan Galvan explained:

We all experience grief over losses, anger and frustration, fear and anxiety as part of our ongoing life experience. Emotions are not pathological; they are, in fact, essential to healthy human functioning.

The second step to broadening your “emotional comfort zone” is to increase your aptitude and knowledge in this important area of client communications. In your personal and professional development pursuits, seek out books and conference sessions that develop successful client relationships and understand clients’ emotional needs. In addition, organizations such as Money Quotient, Kinder Institute, and Sudden Money Institute provide in-depth training opportunities focused on navigating the emotional terrain of client relationships.

Always remember that as you address the financial implications of major life transitions—such as relocation, job loss, death of a loved one, and divorce—your clients will undoubtedly experience strong feelings such as fear, anger, anxiety, sadness, and even profound grief. Therefore, it only makes sense to be prepared to handle these situations with confidence and grace.

Genuine Curiosity

In our opinion, Tim Maurer hit the nail on the head in his recent Forbes.com article, “Curiosity: The Most Important Trait for Financial Advisors.”¹³ He wrote that early in his career as a financial advisor, he operated under the “assumption that bringing knowledge to where it is lacking is an advisor’s primary value.” As he matured as an advisor, he transitioned to a more nuanced view that judgment was actually the most important trait for an advisor. He explained that he realized that “it was the ability to apply knowledge, to help clients make a this-or-that decision that was really where an advisor could demonstrate his or her worth.”

The next stage in his evolution of thought was the realization that most people are more likely to follow a course of action based on their judgment rather than on the judgment of someone else—but they do appreciate having a guide.

In fact, I believe we are well served, as advisors, to heed Walt Whitman’s advice to “be curious, not judgmental.”

However, Tim explained that as simple as this advice may sound, the path to implementation can be challenging:

It sounds simple, if not easy, but the deliberate practice of curiosity can be exceedingly difficult for those of us who got into the field because of our love for knowledge or our bent toward teaching. It actually requires us to subvert our impulse to share knowledge. It takes practice, yes, but even more so, it takes intention.

He explained that the key ingredient to becoming an exceptional advisor is “intention”—listening solely for the purpose of understanding. Similarly, the late Stephen Covey proclaimed “empathic listening” as the most fruitful communication skill of all and devoted a whole chapter in his enduring book, *The Seven Habits of Highly Effective People*, to explaining his view. He

wrote that we can't develop empathy by learning and applying communication techniques alone—the most important ingredient is intention:

*In empathic listening, you listen with your ears, but also, and more importantly, listen with your eyes and with your heart. You listen for feeling, for meaning. You listen for behavior. You use your right brain as well as your left. You sense, you intuit, you feel. ... You're listening to understand.*¹⁴

At the core of this “way of being” is the desire to truly get to know and understand your clients. It is about nurturing a genuine interest in the life experiences and values that have shaped their frames of reference. As Tim explained so well in his article:

There's a universality to this call to curiosity. Certainly, we may see its benefits when we are in the discovery phase of interaction with a client—getting to know someone and their situation anew. But curiosity is just as useful in the 10th meeting with a client as it is in the first, because as the best advisors know, even when a client asks a question, there is usually another question (or two) behind it that requires our curiosity to reveal.

¹ Pulvino, Charles J., James L. Lee, Cynthia E. Forman. 2001. *Communicating with Clients: A Guide for Financial Professionals*. Prentice Hall.

² Covey, Stephen R. (1990) *The 7 Habits of Highly Successful People*. New York: Free Press.

³ Kinder, Gerooge. 1997. “A Matter of Trust.” *Journal of Financial Planning*, 10(2): 40-41.

⁴ Pulvino, Charles J., James L. Lee, and Carol A. Pulvino. 2002. *Financial Counseling: A Strategic Approach*, 2nd edition. Madison, WI: Insturctional Enterprises.

⁵ Pulvino, Lee, and Forman. 2001.

⁶ Engelberg, Elizabeth, and Lennart Sjöberg. 2006. Money attitudes and emotional intelligence. *Journal of Applied Social Psychology* 36(8): 2,027–2,047.

⁷ Archuleta, Kristy L., Sarah D. Asebedo, Dorothy B. Durband, Stephen Fife, Megan R. Ford, Blake T. Gray, CFP®; Meghaan R. Lurtz, Megan McCoy, Jaclyn Cravens Pickens, and Gerald “Jerry” Sheridan. 2021, April. Facilitating Virtual Client Meetings for Money Conversations:

A Multidisciplinary Perspective on Skills and Strategies for Financial Planners. Accessed October 18, 2021, <https://www.financialplanningassociation.org/article/journal/APR21-facilitating-virtual-client-meetings-money-conversations>.

⁸ Lurtz, Meghaan R. 2020, January 29. *Distinguishing Financial Stress From Anxiety and Client Communication Strategies to Help*. Kitces.com, accessed October 18, 2021, <https://www.kitces.com/blog/distinguish-financial-stress-from-anxiety-and-client-communication-strategies-to-help/>.

⁹ Berkenmaier, Julie and Margaret S. Sherraden. (n.d.) *Cultural Competence in Financial Counseling and Coaching*. *The Professionalizing Field of Financial Counseling and Coaching Journal*, accessed October 18, 2021, <http://www.professionalfincounselingjournal.org/cultural-competence-in-financial-counseling-and-coaching.html>

¹⁰ Archuleta, Kristy L., Anita Dale, and Scott M. Spann. 2013. “College Students and Financial Distress: Exploring Debt, Financial Satisfaction, and Financial Anxiety.” *Journal of Financial Counseling and Planning* 24(2): 50-62.

¹¹ Stephanie Glen. n.d. “Mediator Variable / Mediating Variable: Simple Definition” From StatisticsHowTo.com: Elementary Statistics for the Rest of Us! Accessed October 18, 2021, <https://www.statisticshowto.com/mediator-variable>

¹² Boston Private. 2021. “Why of Wealth” Study. Boston Private, accessed October 18, 2021, <https://www.bostonprivate.com/wowsurvey>.

¹³ Maurer, Tim. 2021. “Curiosity the Most Important Trait for Financial Advisors.” Forbes, accessed October 18, 2021, <https://www.forbes.com/sites/timmaurer/2021/03/07/curiosity-the-most-important-trait-for-financial-advisors/>.

¹⁴ Covey, Stephen R. (1990) *The 7 Habits of Highly Successful People*. New York: Free Press.