



THE DISTELFINK – It’s a Matter of Trust

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The July issue of Smart Money magazine includes an article titled, “Financial Planning Gets Personal”. It suggests that financial advisors may be treading in unfamiliar territory with their clients by trying to become crisis counselors or lifestyle coaches, as well as manage their investible assets. While it’s hard to find an investor who isn’t still reeling from the financial turmoil of the past eighteen months, how intrusive should a wealth manager become in his or her clients’ lives? The article discusses striking a cord of “being an empathetic sharer” whereby advisors let their clients know that they too have feelings of anxiety and fear caused by the markets’ volatility and uncertainty about the future. Psychologists say this “sharing” creates a feeling of closeness, which fosters trust. Well, maybe. But I have a different take on the situation.

To become a Trusted Advisor to an individual or family of wealth, We as professionals, must be smart, with strong technical educations and valuable career experience. It helps to have a quick wit and a keen sense of humor, and we must be approachable. In order to educate and advise on issues that are not always intuitive to the client, we must be patient, open, inspiring and interesting. We need to be able to take the driest of topics, be it unified credit, modern portfolio theory or the latest proposed tax law changes, and help our clients understand how they impact them and why they are important.

Wealthy individuals want sharp sounding boards on these issues and many more. They want someone that their spouse can relate to. They want someone who their children will talk to. They want someone they respect but who is still on the payroll. They want someone who understands their interests, which could range from artwork to antique cars, the philharmonic to the latest filibuster on Capitol Hill, planes, vacations, collectibles, the environment, their children’s schools or various sporting events. It cannot be emphasized enough, that to be trusted by the wealthy family, an advisor has to be an encyclopedia of technical knowledge and a professional with whom the family wants to spend time. An advisor cannot be successful in eliciting, implementing and integrating a family’s goals unless he or she invests meaningful hours with the family.

Thankfully, with the aging of the baby boomer generation and the perennial entrepreneurial spirit within the United States, there will be no shortage of opportunities for financial advisors of all varieties to work with individuals and families in the years to come. The most valued advisors though will be the trusted ones: the ones who have honed their skills over the years; the ones who have continued to study, learn and evolve; the ones who are not content to rest on the experiences of the past that made them effective, but seek to anticipate trends and demands to come. In the process of being this sponge of knowledge however, this enlightened advisor never loses sight of the need to make time to listen, assimilate and prioritize the client’s values and financial needs. For if they do, then they will cease being the kind of advisor who is truly trusted.

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