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Work & Money
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WHEN IS ENOUGH ... ENOUGH?

Earning more money won't fulfill your larger goals, says a new breed of financial planners.

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Growing up in West Virginia, Suzanne Hodges remembers living on what she calls "relatively meager means" and dreaming of the comfortable security she finally attained in her 30s, complete with big home, Land Rover, and BMW.

Why then, she often asked herself, do I feel so uneasy on easy street?

"I was waiting for that feeling that you would get at the end of a marathon, to say 'I did it!' but it never came," says Ms. Hodges, a financial planner with Merrill Lynch in Huntington. "What came instead was a lot of anxiety" about losing what she had and needing more to be truly safe.

What Hodges describes is hardly unusual. Her colleagues in financial planning recount many a story of successful people whose ambitions got them where they are, but whose habits of always needing or wanting more made them so restless they couldn't enjoy their affluence. In an ironic twist, the very factors that allow for material success can and sometimes do undermine the ultimate goals: personal fulfillment, good health, strong relationships, and other things that make life worth living.

Faced with that pattern, some planners are becoming part-counselor, part-philosopher, as they ask clients: What is the purpose of money? Do you acknowledge the limits of what it can achieve? How much money is enough, anyway?

Such questions may have once seemed taboo or intrusive, but no more. Consider:

• For each of the past three years, workshops on this type of "interior finance" have drawn more than 600 financial planners at the Financial Planning Association's annual meeting.

• About 450 planners have taken a two-day workshop in "life planning," where the California-based Kinder Institute of Life Planning teaches them to probe what clients crave most deeply and then brainstorm creative ways to finance it.

• This month, the Integral Finance Center in Colorado held its kickoff event. The center uses the ideas of Ken Wilber, a spirituality and psychology writer and author of "A Theory of Everything," to tackle financial planning.

In taking these approaches, a growing breed of countercultural planners and their clients are challenging prevalent attitudes that say one can never have enough money. To the contrary, they suggest that discovering what constitutes enough marks a necessary step in the process of reaching dreams.

"We try to build a bulwark of money against any number of tragedies and hope we can keep bad things from happening to us," says Pamela York Klainer, a former financial planner and author of "How Much is Enough? Harness the Power of Your Money Story - and Change Your Life." But even riches can't insure against tragedy. "You have to learn to ask money to do what it does and develop skills in other areas to do the rest of what's important in life."

In Life Planning, the brainchild of Massachusetts financial planner George Kinder, the process for knowing what's truly enough begins with an introspective inventory. Planners trained in the method ask clients what they would do if they had just five years to live - and what they would regret if they knew they would die tomorrow. Elicited by these and other probing questions, individual passions find their way to the surface and establish a life agenda. Next step: Estimate costs and find revenue.

"You can only come to that figure of how much is enough when you know what will truly fulfill your client," says Susan Galvan, CEO and cofounder of the Kinder Institute.

Often clients don't know what will fulfill them, and the process of finding out can be humbling. For instance, one of Hodges's clients hated his job but hadn't saved up enough to quit. He explained his habit of buying expensive shoes and suits when he got depressed about his work. Clearly, she told him, he'd have to quit that habit in order to reach his bigger goal of a fulfilling life. She asked another executive, who didn't feel secure with $3 million, "When was the last time you did something fun?" He had come for investment tips, but instead found himself assigned to take a week-long bicycle trip. The shift may sound enjoyable, but for him it wasn't easy. The point was leisure, but he felt compelled to keep pedaling to the front of the pack.

When money can't help

Despite the difficulty of facing the voids that money can't fill, clients often seem willing to try. In Martin Siesta's Paramus, N.J., practice, requests for life guidance began in the dot.com heyday of 1999 and 2000. After 9/11, they accelerated. Now the stream is fairly steady, he says, especially with people who "have been through a rocky time."

"It's those people who are willing to look at themselves and their lives and reevaluate," Mr. Siesta says.

Once a person has identified deep passions, whether for nursing or art or raising well-rounded children, an income target is estimated. Making the shift to a life of choice takes a few years in some cases, says Ms. Galvan, but cutting out distracting costs helps expedite the move. Some might meet their income target with no outside job using the "4 percent rule." That is, living on 4 percent of one's investable assets is sustainable for the long term. Others could supplement their investment return with wages or a salary.

"People get locked into very tight mind frames about what they need to be OK," Galvan says. "But if you're living the life that makes you happy, the life that's consistent with your values, then you don't worry about having piles of money because what's it going to pay for, anyway?"

For all the emphasis on doing what's fulfilling, however, planners in this movement recognize the need for an ample nest egg to prepare for unforeseen expenses.

"Can you live for 10 years in a nursing facility? That's not greed to ask that," says Richard Wagner, a Denver financial planner and former president of what is now the Financial Planning Association. "Somehow, it's the wrong question, the issue of greed.... [Instead], it's 'How are you going to deal with the resources you've been given - time, talent, and treasure?' "

How to pierce apathy

Some planners say the new movement isn't addressing the core issues facing most Americans: a blasé attitude toward accumulating wealth and a preference for spending over saving.

"Complacency is a huge problem," says Bradley Huffman, an Ohio financial planner and author of "Scared Rich: Building Wealth With Confidence." In fact, fear of not having enough "can be a motivating factor for people. And if that's what it takes to get people out there, then that's fine, but they do have to have the motivation and ambition to move forward with that."

In the end, planners who advocate a more nuanced view of money aim to help clients not only build the financial resources they'll need but also flag the areas where money will do nothing to help, and personal skills become necessary.

After achieving a certain basic living standard, more money doesn't produce better relationships with spouse and children, Klainer says. In fact, she argues that using gifts and other spending as a substitute for affection or time together will probably wear away the fabric of those family bonds because such tokens of concern are ephemeral and fleeting.

"It's a lot easier to buy your teenager an iPod, which she or he is demanding, than it is to sit down and have a conversation," Klainer says.

The emotional side

With this shift in what it can mean to provide financial counseling, Galvan says planners are coming to embrace what many in the field have long experienced with trepidation and discomfort: clients who get nervous and highly emotional in their offices.

After all, what's on the table in these meetings is not just money but a client's complex relationship to money. So what else should a planner expect?

"They're trained in the numbers side and the analytic side, but they're not trained at all in the human side and the relational side," Galvan says. "But money is one of the most intense, private, and personal issues we deal with in life.... If you don't delve into the most profound heartfelt goals of the person before you address the financial goals, you're selling them a lemon."