

# CFC™ Course Curriculum

## **Class 1. Financial Counseling Introduction and Overview (1 Credit)**

Financial, tax and investment advising have undergone a significant change over the last several decades, evolving from a customer-broker relationship that was transactional and sales-oriented in the 1970s, to a profession requiring technical knowledge in the 1980s and 1990s. Spurred on by the burgeoning social science of behavioral economics for the past two decades, the nature of client relationships has grown more personal, collaborative, and individualized, requiring today's professionals to possess counseling skills.

### **Introduction to Financial Counseling Overview (20 Minutes)**

- The professional landscape
- The evolution of the field
- Theoretical Foundations
  - Traditional Finance
  - Behavioral Finance
  - Counseling Psychology
- Fundamental Concepts

### **Why Financial Counseling?: The Value Proposition (15 Minutes)**

- Everybody talks the talk
- Advisor Alpha
- Misconceptions
- Exercise: What is Most Challenging in Your Practice?

### **Highlights Of Major Topics In The Course Outline (15 Minutes)**

- Look ahead at future classes
- Discussion on why these modules are included
- Emphasis on specific knowledge, skills, and takeaways from course material

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## **Class 2: Trust, The Foundation of Relationships (1 Credit)**

Trust is a widely invoked though often misunderstood concept. It is the foundation of the counselor-client relationship. Moreover, it is prerequisite in retaining clients, gathering assets, and gaining referrals. This class dissects trust into easily understood components, and prescribes practical steps to building and maintaining this critical professional trait.

### **Trust: How important is it? How does it fit in? (12 Minutes)**

- Maslow vs. Investor “Hierarchy of Needs”
- The foundation of the pyramid

### **Type 1: Technical Competence/Expertise (12 Minutes)**

- “Most important” client motivation
- The heart of FA value
- Ways to convey that trust
- Conversations
- Physical representations.

### **Type 2: Ethical Trust (12 minutes)**

- Not to be taken for granted – client psychology, famous cases
- Best-interest (fiduciary standard)
- Ways to earn trust
- Communications about fees
- Consistency of words and actions
- Transparency

### **Type 3: Interpersonal Trust (12 minutes)**

- Personal in personal finance is underrated
- Communication preferences
- Keys to a productive counselor-client relationship.
- Caring, Understanding, Respect and Empathy (CURE)
- Carl Rogers Humanistic Psychology

### **A comprehensive strategy for building and keeping trust – The Newsletter. (7 Minutes)**

- Critical components of a good newsletter
- Recommendations for format

### **Wrap up/Questions (5 Minutes)**

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## **Class 3: Investor Emotions Part 1 – Fear and Anxiety (1 Credit)**

Investing evokes the entire spectrum of human emotions, from positive to negative, and the emotion that stands out as the most influential is fear. The ability to recognize, understand, and constructively react to client fear is key to successful client management. Fear manifests itself in different forms, from the most latent (e.g., worrying) to the most acute (e.g., panicking). This class examines where fear comes from and what it looks like from the perspective of a client. It enables a financial professional to better fulfill the role of counselor by helping clients identify and manage their financial fears.

- **Introduction to Fear (10 Minutes)**
  - Evolution
  - Neurobiology
  - Role of Personality
  - Prospect Theory
- **Deeper Look into Financial Fear: Critical Factors (15 Minutes)**
  - The role of trust
  - Limits of Reason
  - The power of short-term
  - The power of verbalization
  - The difference between fear, loss, and pain.
- **Practical Strategies for Dispelling Client Fear (20 Minutes)**
  - IDEAS Script
  - Two Part Process
  - Reframing
  - Future Focus
  - Regret
  - Strategic Emotional Communication
  - Slide Show Method
- **Crisis/Stress Management Plan (15 Minutes)**

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## **Class 4: Investor Emotions: Anger, Grief, And Greed (1 Credit)**

While fear is the dominant investing emotion, it is far from the only one. Any emotional reaction that distorts judgment presents problems. This Class explores the other common emotions that influence client investment decisions and suggests ways to help clients make decisions.

- **Introduction to Emotions Overview (10 Minutes)**
  - Emotions – an obstacle/agent of change
- **Anger (20 minutes)**
  - The nature of anger
  - “Reactive” emotion, operational definition
  - Personality factors
  - Neural Re-routing- Four step process to moving clients past anger
- **Grief (20 minutes)**
  - Grief as loss, sadness
  - Personality Factors
  - Kubler-Ross 5 Stages
- **Greed (10 minutes)**
  - Greed is often exuberant FOMO
  - Personality factors
  - Tips for moving people past greedy traits
    - Curiosity > Criticism
    - Facts > Fantasy

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## **Class 5: Counseling Strategies And Techniques (1 Credit)**

This class teaches how to employ financial counseling strategies and techniques with clients, particularly those who are the most emotional. How to move clients past fear, greed, anger and other emotions and how to maximize your influence as a professional to help clients make better decisions. We will cover the most important counseling skills (building blocks), as well as Strategic Emotional Communication, which we will apply to client examples.

- **Introduction to Counseling Strategies (10 Minutes)**
  - FAs traditionally do not get training in this skill set
  - Background
  - Humanism
- **The Building Blocks: 6 Essential Skills (15 Minutes)**
  - Listening:
    - Nancy Kline
    - Attending
    - Listening/Observing
  - Queries:
    - Key questions
    - Open ended
    - Encouragers
  - Empathy:
    - Common misconceptions
      - Clarifying
      - Reflecting
      - Amplifying
    - Genuineness:
      - Honestly
      - Presentness
    - Caring/UPR
      - Carl Rogers
      - Necessary and sufficient conditions
      - Conveying warmth, concern, acceptance
    - Concreteness
      - Specificity
      - Focus
      - Clarity
  - **Listening (10 Minutes)**
    - Nancy Kline's techniques and training
    - Listening Environment
  - **Strategic Emotional Communication ( 15minutes)**
    - IDEAS acronym
    - Two stage process
      - Emotional
      - Rational
    - U.R.E. Method Revisited

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- **Case Study/Practice of Strategic Emotional Communication(10)**
  - Emotional Client
    - IDEAS
    - What would you say?

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## **Class 6: Investor Identity (1 Credit)**

Knowing yourself is a key step in successful investing. Financial traumas or successes you and your family experienced predispose certain financial personality types to different investment and financial planning mistakes. The way you are wired hinges on your financial personality traits. Financial Identity – an understanding of how and why investors think, feel and behave is a major component of financial counseling, as is the ability to assess an investor's financial personality traits. - This class introduces the concept of Financial Identity and presents a systematic way of identifying financial personality traits to better serve clients.

- **Introduction to Investor Identity (15 Minutes)**
  - Needs
  - Values
  - Beliefs
  - Goals
  - Strengths/Weaknesses
  - Personality
  - Why investing is like Junior High School
  - Erickson and Psycho-Social Development
  - Benefits of helping clients develop a strong sense of their investor identity
  - Components
- **Investor Needs (15 Minutes)**
  - Trust
  - Self-Approval
  - Safety
  - Happiness
  - Purpose
  - The Hierarchy of Investor Needs
- **Values and Beliefs (10 minutes)**
  - Risk Taker/Avoider
  - Self-approval
  - Important Investing Beliefs
  - Belief Questionnaire
  - How values influence financial decision-making
  - Beliefs
- **Goals (10 Minutes)**
  - Must haves
  - Targets
  - Aspirations
  - Client goal-setting
- **Strengths and Weaknesses (10 Minutes)**
  - What do clients see as strengths?
  - What do clients see as potential weaknesses?

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## **Class 7: Investor Personality (1 Credit)**

The most comprehensive component of Investor Identity is Investor Personality. Using the NEO Personality Inventory Five-Factor Model and referencing data from Market Psych Insights (MPI) Investor Personality Assessment, this class addresses the concept of Investor Personality and how it affects client decision-making. It will explore the history of Personality Psychology, explore relevant personality sub-factors, and explicate the Big 5 Traits (NEO) their relationship to investor identity and implications for investing and the client-advisor relationship.

- **Introduction to Personality Theory (15 minutes)**
- Progression of Personality Theory
  - Freud
  - Jung
  - Allport
  - Goldberg, Oregon Research Institute
- Types vs. Traits
  - The Big Five Traits – CANOE/OCEAN Acronym
- Nature and Nurture
  - Gender
  - Age
- **Conscientiousness vs. Spontaneity (20 minutes)**
  - Conscientiousness sub-traits
  - Spontaneity sub-traits
  - Implications for Investing vs. Relationship
- Relationship to aspect of Investor Identity (e.g, Needs, Values, etc.)



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## **Class 8: Investor Personality Part 2 (1 Credit)**

This class is the continuation of our explication of Investor Personality. In this module we will cover the remaining Four Factors and explore their implication for clients' investment approach and their relationships with you.

- **Emotional Stability vs. Emotional Sensitivity (13 minutes)**
  - Stability sub-traits
  - Sensitivity sub-traits
  - Implications for Investing vs. Relationship
  - Relationship to aspect of Investor Identity (e.g, Needs, Values, etc).
- **Extraversion vs. Introversion(13 minutes)**
  - Extraversion sub-traits
  - Introversion sub-traits
  - Implications for Investing vs. Relationship
  - Relationship to aspect of Investor Identity (e.g, Needs, Values, etc).
- **Openness vs. Traditionalism (13 minutes)**
  - Openness sub-traits
  - Traditionalism sub-traits
  - Implications for Investing vs. Relationship
  - Relationship to aspect of Investor Identity (e.g, Needs, Values, etc).
- **Agreeableness vs. Self-interestedness (13 minutes)**
  - Conscientiousness sub-traits
  - Spontaneity sub-traits
  - Implications for Investing vs. Relationship
  - Relationship to aspect of Investor Identity (e.g, Needs, Values, etc).

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## **Class 9: Mental Health Issues (1 Credit)**

Financial problems are a leading cause of depression and other mental health issues. This class imparts practical tips for recognizing when to refer clients to other resources for mental health issues and how to handle this delicate subject. This class will examine the effect of stress on clients, with a focus on strategies for helping clients mitigate stress's impact. We will also discuss common Axis 1 and Axis 2 Psychiatric Diagnoses that financial professionals are likely to encounter, with strategies and tips for identifying and managing clients who suffer from them.

- **Introduction to Mental Health in Financial Counseling (10 Minutes)**
  - Overview with stats
- **Life Events (15 Minutes)**
  - Covid
  - Deaths
  - Divorce
  - Jobs
  - Health
- **Axis 1 Diagnoses (15 Minutes)**
  - Depression
  - Anxiety
  - Thought Disorders/Dementia
    - Definition
    - Manifestation
    - Associated tendencies
    - Investor implications
- **Axis 2 Diagnoses (20 Minutes)**
  - Personality Disorders
  - How to manage people with:
    - Dependent
    - Narcissistic
    - Borderline

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## **Class 10: Working With Couples And Families (1 Credit)**

Couples – often married, but not always – present a discrete set of dynamics for a financial professional, as do families with intergenerational wealth issues. This class covers key issues, considerations and practices when working with couples and families, as well as some conflict management strategies to help get couples and family members to work past difficulties.

- **Introduction to couples and family psychology (5 Minutes)**
  - History
  - Overview with stats
- **Financial Counseling with Couples (20 Minutes)**
  - Differences between couples counseling and financial counseling for couples
  - The importance of alignment across areas such as goals, knowledge and understanding of the plan
  - Assessment, ways of injecting structure into the financial counseling process
  - Guide for addressing assessment results
  - Working with widows/widowers, best practices
- **Financial Counseling with Families (20 Minutes)**
  - Family Systems theory and practice
  - Differences between family counseling and financial counseling for couples
  - Best practices for working with families
  - Conflict management approach for families (and couples)
  - Case Study
- **Wrap up/Review (5 Minutes)**

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## **Class 11: Review and Implementation (1 Credit)**

This class redviews the entire course curriculum, highlighting the most important concepts in financial counseling and how to best implement them in your practice.

- **Foundations (7 Minutes)**
- **Emotions (10 Minutes)**
- **Counseling Techniques (10 Minutes)**
- **Investor Identity (10 Minutes)**
- **Investor Personality (10 Minutes)**
- **Mental Health Issues (8 Minutes)**
- **Couples and Family (5 Minutes)**
- **Wrap Up/Goodbye (5 Minutes)**