

When Your Beneficiary Has A Mental Health Concern

What do you do?

**What do you think of when
you think of mental illness?**





Question:

What are the types of mental health disorders, personality disorders, and stresses you notice in your beneficiaries which feel like a common occurrence? How did you discover those?

Challenges

- Clients may be in denial, embarrassed, or uncomfortable.
- Mental illness is seen by society as a moral failure instead of a disorder
- Clients may not appreciate the important role their advisory team can play in crafting plans which help their loved ones facing mental health challenges.
- Some trustees, even professional institutions, endeavor to avoid certain decision-making as to beneficiaries with challenges, whether it be an addiction, mental health, or other realities of the human condition.

What do hairdressers, manicurists, and trusted advisors have in common?

They all hear random, unexpected things from their clients that they're expected to respond to but don't know how to deal with.

But here's the catch: if you want to be the trusted advisor that family members come back to through generations, you can't just ignore or brush off these comments.

The Story of John

- Yelling at the receptionist
- Calling the trustee at random hours to talk without regard to time of day
- No adherence to budget or agreements
- Isolated
- No motivation or desire to get a GED or job
- Making demands and creating crises to get things done
- Currently on trustee #5



Mental Health and Wealth Background



General Mental Health Stats

- 1 in 5 adults will experience mental illness in their lifetime
- 1 in 25 adults are diagnosed with serious mental illness, such as schizophrenia or bipolar disorder
- 1/2 of all chronic mental illness begins by age 14, and 3/4ths by age 24

Wealth and Mental Health

- Ultra high net worth individuals are subject to becoming more at risk for developing higher rates of substance use disorders, depression, eating disorders, and anxiety
- Children in affluent families suffer anxiety at 20-30% higher rates than the less affluent and are more likely to display anti-social behaviors such as cheating and stealing.

Potential Reasons

Suniya Luthar, a Professor at Columbia University, points to the pressure to achieve and isolation from parents as two potential causes for these outcomes.

Annette Lareau, a sociologist at the University of Pennsylvania, describes the parenting styles of the rich as “Concerted Cultivation.” The goal of this parenting style is “to accrue skills that will lead to greater opportunity later on.” Ultimately, the end result is that the wealthy children end up lacking practical skills and the parents run their children’s lives in a way that prolongs adolescence.

Potential Reasons Cont'd

- Paul Piff and Dacher Keltner, psychologists at the University of California at Berkeley, conducted research which found that as people accumulate wealth and power, their empathetic feelings towards people begin to decline.
- Other psychologists labeled the personalities of billionaires a “dark triad” of Machiavellianism, psychopathy, and narcissism. In studies of extremely wealthy people, results show greater tendencies towards engagement in various unethical behaviors as well as “self-promotion, emotional coldness, duplicity, and aggressiveness.” These traits undeniably influence parenting styles and decisions.

Wealthy Parents' Dilemma

- Saving their child from natural consequences = removing motivators for change/ learning but saves their kid from the immediate consequence and perhaps reputational damage
- Using money to influence results instead of character or skill undermines a child's ability to know their own value/ worth and creates doubt but gets them opportunities they may not have been able to get alone
- Either promoting an air of “We are above the rules” or letting their kids learn in the school of “hard knocks”
- It's hard to appreciate or take ownership of things (like recovery or independence) where there is no buy in, consequence, or skin in the game
- Either want to control their kid or be their friend and potentially used hired help to provide rules, guidance, and consequences

Wealthy Beneficiary Dilemma

- No real need or purpose to pursue (too many choices, the paradox of choice)
- Overcontrolled by spoken/ unspoken expectations
- Guilt over opportunities provided to them or entitlement
- Influence of money and family name over identity (who am I outside of the wealth and who likes me outside of the wealth)
- Is the goal of treatment help for me or getting me to conform to my parents desires for me?
- Parents can pay for institutions until change is made even when it isn't working

Goals

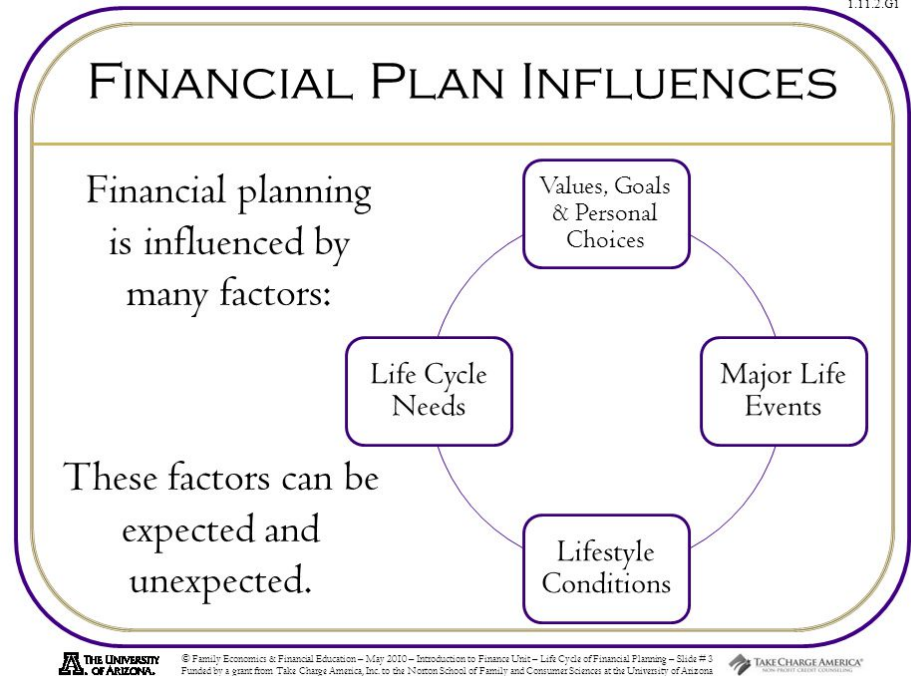
1. Proactive ways to discover and work with people who have mental health issues

2. Productive ways to work with people who have mental health issues when you step on the landmine...

Goal 1

Proactive ways to
discover and work
with people who
have mental health
issues

There is a bi-directional relationship between financial planning and major life events. Knowing this helps you prepare and plan. Planning and preparing involves the financial component as well as addressing the human component



How do you start the conversation?

- Make it a part of your initial onboarding process
- Be direct in preparing them for your line of questioning and why it's important
- Get agreement along the way by asking “is that okay with you?”
- Tell current clients who are beyond the onboarding process that you went to this presentation and recognize the importance of improving your practice in this way
- When something comes up, use these questions and agreements as something to refer back to down the road

Here's what it looks like

Hi (name),

At (name of firm), we really understand how mental and physical health impact the planning process. Going over this intake form in detail is a part of our onboarding process for every client and I'll be asking a lot of follow-up questions along those lines so that we can make sure your present and future are properly planned for. I understand these are incredibly personal questions, and if at any point you need me to explain the relevance, I'm happy to do so. Is that ok with you?

Discovery Questions

- Is there anyone in your family who isn't prepared to handle the wealth they're about to inherit?
- Tell me about the relationships and personalities in your family?
- What are your/ your child's worst and best qualities?
- Are there any concerns about physical or mental health that you have for yourself or any of your family members ?
- (if a client mentions they have a mental health issue) Will you tell me about how that's impacted you so I can help plan for that?
- Are there any ongoing and consistent needs we need to budget for right now?

Policies and Procedures

- Policies and procedures can become a default fall guy to save your relationship...even if you're the one who created and can change the policies and procedures
- Create policies and procedures which slow things down to a reasonable pace
 - Ex: All requests for additional money must be in writing and there is a 3- business day delay before an answer is given

Resources to have readily available

- Case Manager
- Interventionist
- Independent Consultant
- Criminal defense attorney familiar with mental health cases
- Mental Health Counselor
- Private investigator

Review every couple of years

- Policies and procedures, plus the outcome of those when they met real life situations
- Resources available
- Mental and physical health status of the beneficiary

Goal 2:

Productive ways to work
with people who have
mental health issues
when you step on the
landmine...

Why Beneficiaries Destabilize

- First psychotic break or bout of symptoms
- Relapse in addiction
- Decided to stop taking medications
- Stress and hormone shifts changed the effectiveness of meds
- Traumatic events
- Onset of mental illness
- This can take you off guard and make you unsure how to relate to the person or what to do next.

Things you might notice

- Changes in communication style and consistency
- Random requests for money or liquidation of assets
- Abrupt changes in estate plan
- Illogical thinking
- Noticeable, frequent or incongruent mood changes
- Poor money management
- Higher medical bills
- The client tells you directly
- A family member tells you directly

Things you might notice if a family member has a MH issue

- Client has urgent need to liquidate assets
- Adult children who still live with their parents and are not acting in a caregiver capacity
- A family member begins showing up to meetings with the client and helping to guide decision making to their own benefit
- Money or assets being funneled away from the client
- You become aware of legal issues related to the client's behavior
- The client wants to alter the estate to exclude one family member



How Do You Respond?



How not to respond

- Avoid things which put people on the defensive
- Avoid coming across as defensive
- Avoid escalating your tone, volume, and body language
- Avoid shutting down the conversation with blanket statements (ex: that's just the way it is and you're going to have to accept that)
- Avoid making promises you can't keep

How to respond

- Stay non-judgmental
- Understand your limits, their limits, and what their needs are that they're trying to get met in that moment
- Validate and restate their needs and perspective
- State facts and observations

How to respond cont'd

- Ask relevant questions: Are you ok? Do you need help?
- Help them play the tape forward on their options
- Get clear on your goal, state your goal, ask client what their goal is and see if it aligns
- Create a mutual agreement to move forward

How to respond cont'd

- Know the relevant resources available to help
- Take action
- Follow-up

Calling 911: How To Respond When Issues Are Identified

What you do:	What you don't do:
Identify there is a problem	Diagnose the problem
Ask relevant questions: Are you ok? Do you need help?	Fix it yourself
Know the relevant resources available to help	Ignore it
Take action	Walk away before appropriate resources are in place
Follow-up	Play the hero

Be Part of the Solution: 3 Effective Ways of Partnering with Clients With MH Issues

Normalize	Normalize the discussion. Remember addiction and mental illness is quite common, even among wealth, successful and highly educated clients.
Ask	Ask direct questions to the client about the issues.
Provide	Provide support by offering reassurance, resources, and respect.

Questions to move you forward

Good questions will help
you get in alignment,
lower defensiveness,
and find a path forward.

This could look like:

- I know how stressful it is for you every time you overspend and need to come to me for more money. I want to help you navigate this situation and prevent this from happening again in the future by being able to address the reasons you keep overspending. Are you willing to work with someone on this issue so that you don't end up in this position again?
- (State the parameters) are the parameters I can work within. I want to create a way for you to win in this situation without me jeopardizing my job. What does winning look like for you within the parameters I have to work within?
- I've noticed in the past month that you've sent me emails which feel urgent, aren't remembering conversations, and avoid getting on the phone with me. These changes seem abrupt and unlike you. I'm concerned and wanted to open the door to have a conversation. What do you think changed for you in the last month?

Key Phrases for Trustees

- “I heard you list 3 things that you really wanted right now. Help me understand what feels most important to you right now so I can work on that.”
- “It seems like this situation feels really heavy. Will you help me understand more?”
- “Would it be unreasonable if we looked at some options together that wouldn’t jeopardize the trust?”
- “Given the confines of my role and needing to clear this with the trust committee, what would a good outcome look like for you here?”
- “Here’s what I can do, and here’s where the trust limits me. If we use the money for this, that might mean there’s no option to take money out of the trust for the next 6 months. Would that feel worth it to you?”

Things To Remember:

- The situation, feelings, level of importance, and intensity feel very real for the beneficiary
- Crises and humor don't typically mix
- Questions to move you forward

Q&A

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