



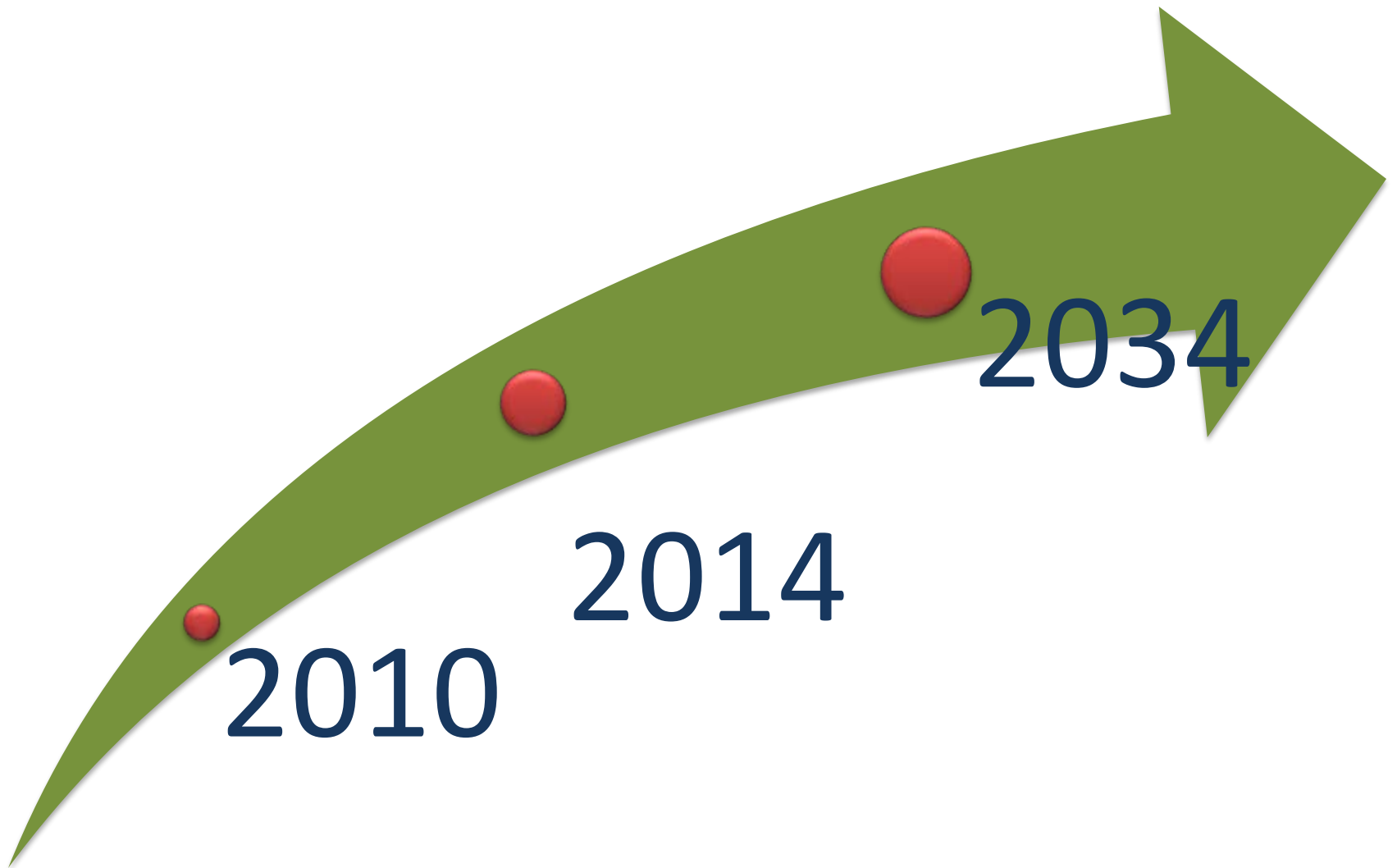
# Transition Expertise Matters for Fiduciaries

*Financial Transition Planning is a specialized area of practice. We train the experts, Certified Financial Transitionists™*



She is a mess with money.

- True
- False





# LIFE HAPPENS



**Transitions  
Drive  
Business**

**70%  
Hire**

**82%  
Av Age  
50 to 69**



# TWO SIDES of MONEY

Are equally important and equally complex



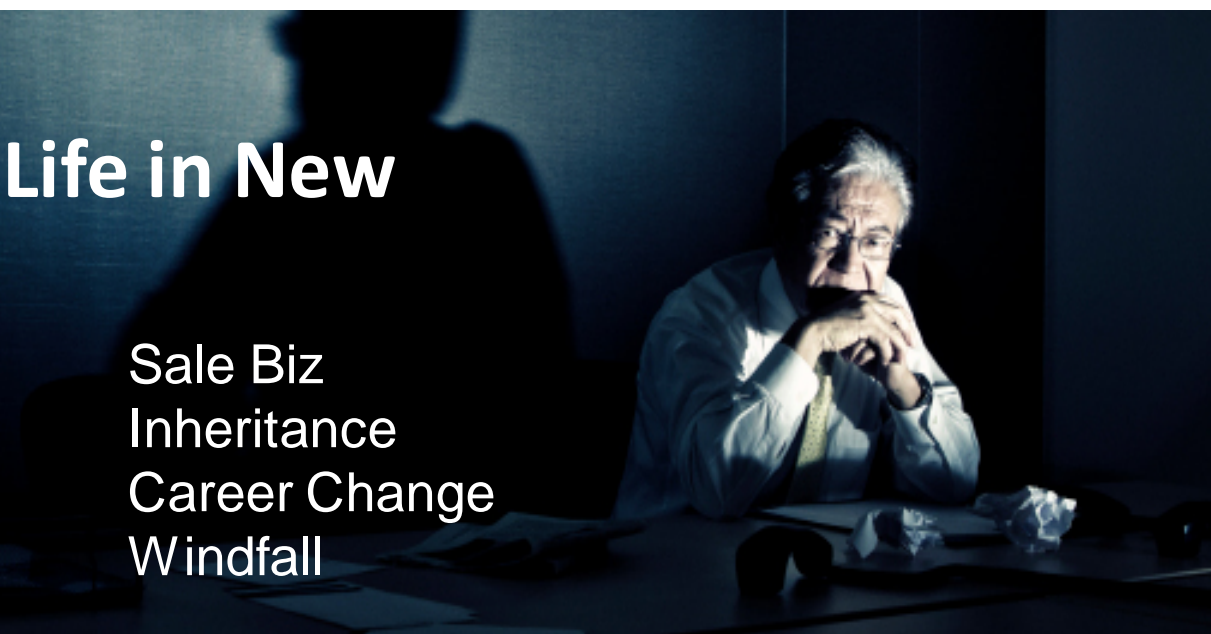
Personal side is dominant while in transition



# Life Events Pivot Life in New Directions

Loss of Spouse  
Retirement  
Divorce  
Legal Settlements

Sale Biz  
Inheritance  
Career Change  
Windfall



The challenges transcend age, education, gender, culture, and sophistication.





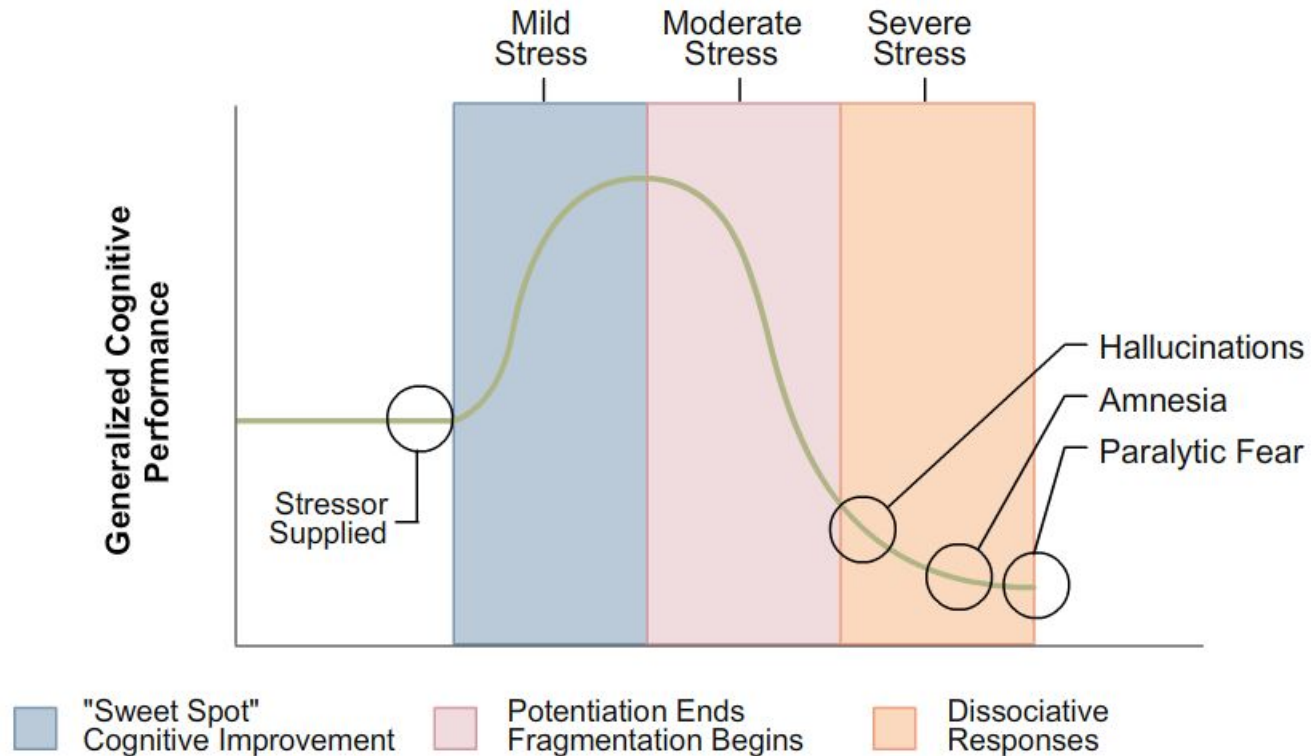
Change Can Be  
Stressful and Turbulent

Stress = Regress





## effects on cognition - severe stress



FOOTNOTES



# Characteristics of Transitions

**Narrow focus**

**Short attention span**

**Invincibility**

**Hyper reactive**

**Fear-based decisions**

**Withdrawal Isolation**

**Fatigue**



**Fractured focus**

**Euphoria**

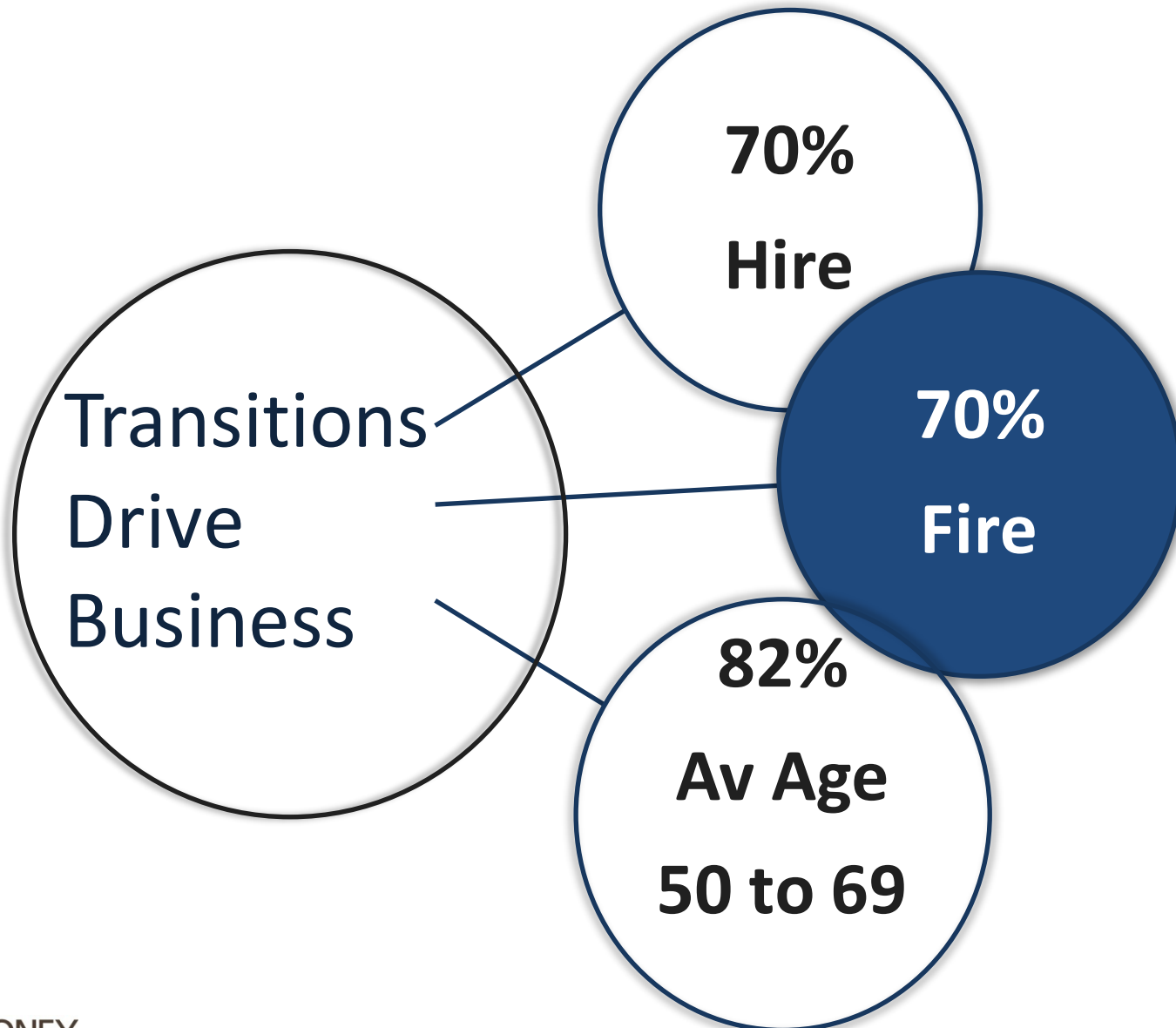
**Loss of possibilities**

**Inconsistent behavior**

**Victim behavior  
Combative/ angry**

**Fragmentation**

**Numb**

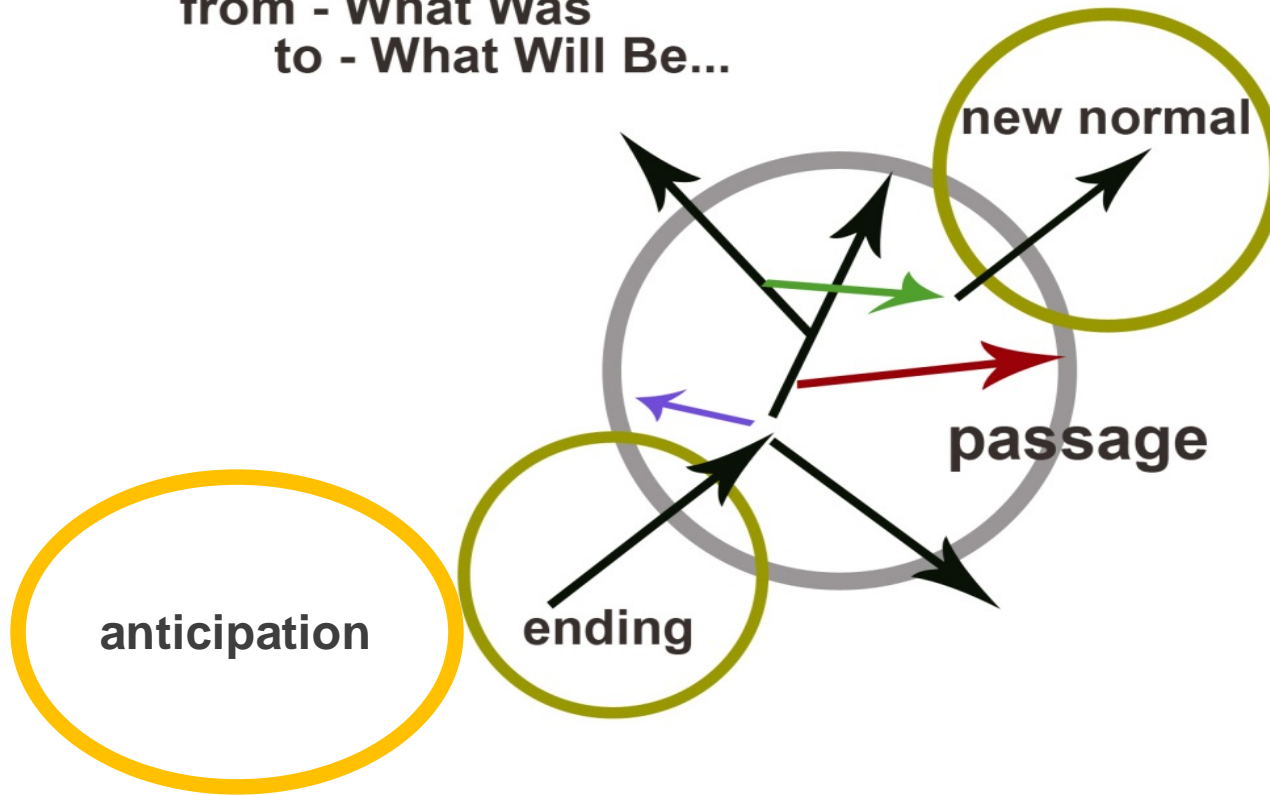




Does your process adapt  
to clients in transition?



from - What Was  
to - What Will Be...





## Psychology

Behavioral Finance

Trauma – PTSD

## Neurology

Stress = Regress  
Adherent Behavior

Neuro-Economics

## Sociology

Social Anomie

Disequilibrium

## Physiology

Stress Response

General Adaptation Syndrome



# Technical Change Models VS Adaptive Change Models

70% of change initiatives fail because adaptive challenges are address with a technical model.

*Heifetz, R. & Linsky, M. (2004, April).  
Harvard Business Review*



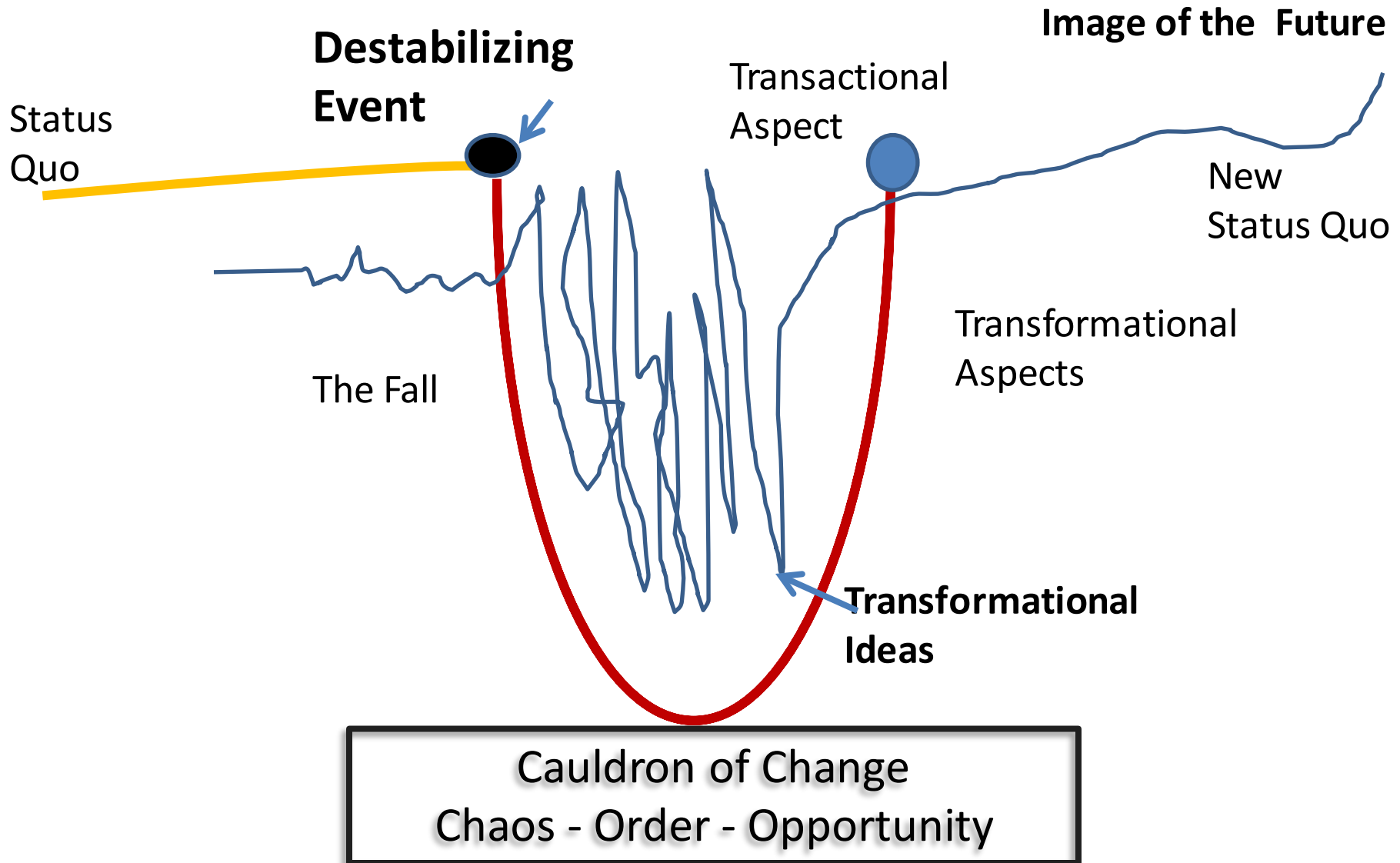


# Traditional Financial Advisory Process Is A Technical Change Model

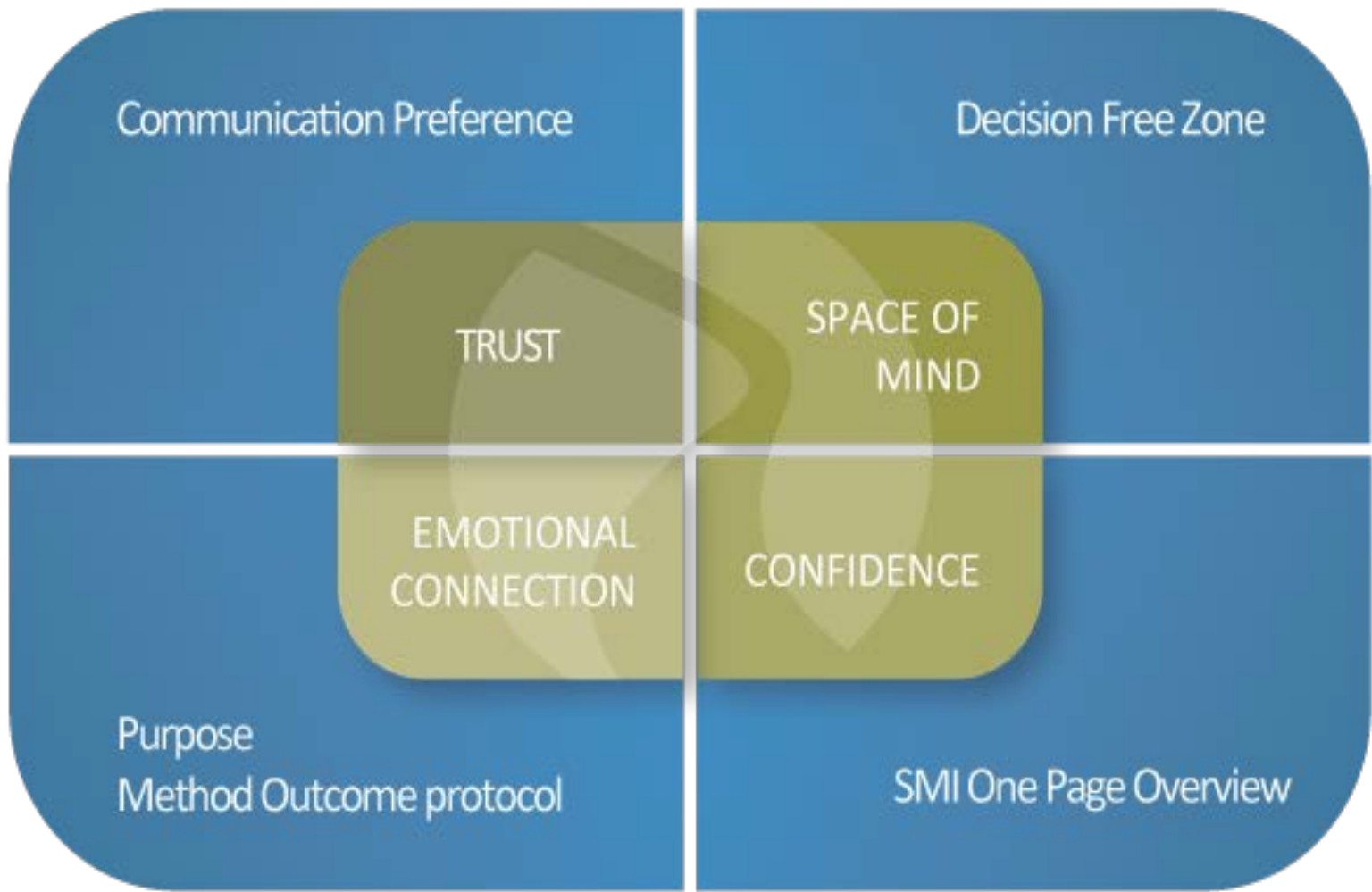




# Adaptive Change Model



Cauldron of Change  
Chaos - Order - Opportunity





Email short agenda day before

Names and two main points

Soften tone

One page overview take-home

Decisions in 48 hours



# Financial Triage™

Name

Normalize

Prioritize

Organize

Stabilize





	Control	Manage	Monitor
<b>Immediate Fears:</b>			
<b>Possible Fears:</b>			
<b>Unlikely Fears:</b>			



## NOW Decisions:

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## SOON Decisions:

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## LATER Decisions:

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# Organize



# Stabilize





## Cash Flow Plan January 2007

Tom and Janet Evening, ages 60 and 57

Vision: enjoy life together without worrying about money

Event: Sale of Business net amount \$5 million, Ira rollover - \$2 million



### Investment Accounts

#### Trust Accounts

Trust 1 – 2.5 million  
Growth and Income  
Distribute 8.5K/mo

Trust 2 – 2.5 million  
Growth and Income  
Distribute 8.5K/mo

#### Joint Account

\$550,000

#1 Money Market

#2 Money Market

Back-Up Account 100K

#### IRA

2 million

Growth for 10 years

#### Holding Account

#1 Money Market Account  
in the Joint Account

Begins with \$68K  
Four Months Income

Receives 8.5K /mo  
from each Trust – total \$17K/mo

#### Transfers Each Month

15K to Operating Account

#### Transfers Each Month

2K to Major Expenses

#### Operating Account

ABC Bank Checking

Receives \$15K/mo

- \$10K bills and expenses
- \$5K taxes

#### Major Expenses

#2 Money Market Account in Joint Account

Starting Balance \$23K

Receives \$2K/mo

Insurance premium \$7K Jan. 1<sup>st</sup>

Property Tax \$6K Nov. 1<sup>st</sup>

Vacation \$10K May 1<sup>st</sup>



## Cash Flow Plan November 2008

Tom and Janet Evening, ages 60 and 57

Vision: enjoy life together without worrying about money

Event: Sale of Business net amount \$5 million, Ira rollover - \$2 million

No change in income and three years of income in cash



### Investment Accounts

#### Trust Accounts

Lost 6% Same Income For 2 years

Trust 1 2,350,000 million

Distribute 8.5K/mo

Trust 2 2,350,000 million

Distribute 8.5K/mo

#### Joint Account

\$550,000 two and half yrs income

#1 Money Market

#2 Money Market

Back-Up Account 100K

#### IRA

Lost 30%

1.2million

Growth for 10 years

#### Holding Account

#1 Money Market Account  
in the Joint Account

Begins with \$68K

Four Months Income

Receives 8.5K /mo  
from each Trust – total \$17K/mo

#### Transfers Each Month

15K to Operating Account

#### Transfers Each Month

2K to Major Expenses

#### Operating Account

ABC Bank Checking

Receives \$15K/mo

- \$10K bills and expenses
- \$5K taxes

#### Major Expenses

#2 Money Market Account in Joint Account

Starting Balance \$23K one year expenses

Receives \$2K/mo

- Insurance premium \$7K Jan. 1<sup>st</sup>
- Property Tax \$6K Nov. 1<sup>st</sup>
- Vacation \$10K May 1<sup>st</sup>



## Traditional Advisor

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Expert, CFP<sup>®</sup>, JD, CPA

Life is Predictable

Known Parts

Identifiable Goal

Easy fix

## Financial Transitionist<sup>™</sup>

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Thinking Partner, CFT<sup>™</sup>

Life Unpredictable

Parts have changed

Tools for Co-creation

Goals less clear, changing

Transformation over time



## Investment Advisor Practices

Organize

Formalize

Implement

Monitor

**AND**

## Financial Transitionist™ Process

Communication discovery

Triage, organize

Small steps

Shorter meetings

Visual overviews

Flexible timelines

Structured conversations

Review, refine, rediscover



# Thinking Partner Skill Set

Process = Presence

Tools = Co-Create

Lower Stress to Increase Capacity

Keep Safe Until Capacity Returns

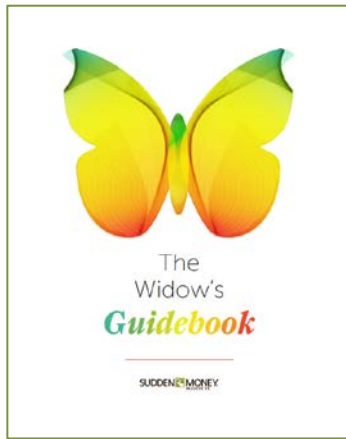
Normalize and find meaning in chaos

Support unpredictable time lines and results





# Certified Financial Transitionist™ Sample Materials



## The Widow's Guidebook

A collage of various financial planning and educational materials from Sudden Money Institute, including:

- Family Money Story**: A worksheet with sections for Parents, Teens, and Outcomes, including a flowchart for decision-making.
- Start With Your Best**: A worksheet featuring a photo of a family and an example scenario.
- Communication**: A worksheet titled 'Communication' with text about marital communication and a 'FOUR MONEY CHOICE' section.
- Reinvention Story**: A worksheet with a 'Scenario Description' and 'Assumptions and Variables' section.
- Comparison Outcomes**: A worksheet with a 'Comparison Outcomes - How to Judge Success?' section.
- Bliss List**: A worksheet titled 'The Amazing Potential of a Personal Brain Trust'.
- Kids and Cash**: A worksheet titled 'How do your teens learn at home?'.
- Decision Free Zone**: A worksheet with a table for tracking decisions.
- Financial Agreements Worksheet**: A worksheet with a table for tracking financial agreements.
- Well-Being Well-Done**: A worksheet with a table for tracking well-being.
- Power of Expectations**: A worksheet titled 'The Power of Expectations'.
- Romance and The Business of Life**: A worksheet titled 'Romance and The Business of Life'.
- Giving and Sharing**: A worksheet titled 'Giving and Sharing' with a 'Considerations...' section.
- Widow's Guidebook**: A book cover featuring a butterfly.



## Susan Bradley, CFP® Founder, Sudden Money Institute



Susan Bradley, CFP® is a recognized thought-leader and author in financial transition planning. She is the founder of the Sudden Money® Institute (SMI), a resource center for Life Transitions and Good Decisions. In 2013 Susan opened the Institute for Certified Financial Transitionists, a division of SMI dedicated to training financial advisors, attorneys and mental health professionals in the unique process and tools for managing the human dynamics of financial change. She has served on the FPA's National Board of Directors, currently sits on the National Football League's Players Associations' Financial Education Advisory Board, and serves as the Dean of Transitions for the Council of Deans of the Purposeful Planning Institute. She is seen and heard frequently in the national media including *NBC's Nightly News*, CNN, NPR, *The Wall Street Journal* and *The New York Times*.

## Courtney Pullen, M.A., LPC President, Pullen Consulting Group



Courtney Pullen is the President of the Pullen Consulting Group. He has more than 25 years of experience in coaching, business and management consulting, leadership development, communication training and team building. Courtney received his graduate degree in Psychology, was a Clinical Associate at the school of Professional Psychology at the University of Denver and an Adjunct Professor at the University of Colorado. The Pullen Consulting Group works with families who aspire to move from simply good to exceptional. We are engaged by the family to work for the family. He works one-on-one with individual members while also weaving together the personalities, potential and passions into a unified whole.





## Kathleen M. Rehl, Ph.D., CFP® Rehl Financial Advisors



Dr. Rehl is a leading authority on the subject of widows and financial planning. She is the award-winning author of *Moving Forward on Your Own: A Financial Guidebook for Widows*. A widow herself, Kathleen is frequently invited to speak to professional advisors and women's groups. Her work has been featured in numerous publications. The U.S. Army Survivor Outreach Services centers use her book worldwide. Kathleen owned her financial planning firm for 17 years before closing that business in late 2013, giving more time for speaking, teaching and writing. Kathleen is passionate about empowering her "widowed sisters" to feel financially secure... while helping advisors work effectively with these women.

## Moira Somers, Ph.D., C.Psych. Money, Mind and Meaning



Dr. Somers' area of expertise is helping financial professionals get better at serving and retaining clients. She has a particular interest in the psychological factors that affect people's financial decisions and actions. She works directly with clients who are in the midst of major financial transitions (such as sudden money events, changes in marital status, or retirement), helping them put an end to their struggles with and around money. She is on faculty with the Sudden Money Institute, where she trains an elite group of advisors on the cognitive and emotional factors at play during financial transitions.



# Thank You

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