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## How to Treat a 'Money Disorder'

By [SARAH KERSHAW](#)

THE country music star Wynonna Judd had essentially “won the lottery” at age 17, she said. But after amassing a fortune from her career, she squandered much of it, throwing money at her children out of guilt for missing hockey practices, and buying more cars than she could ever drive. Having grown up poor in Appalachia, Ms. Judd found herself with “everything and nothing at all,” she said.

Amy Sprague Champeau was destitute following a divorce, and with no college education or job opportunities, wound up living in her car. When she finally rented a room, her only furniture was a piece of foam for a bed. Soon after she began earning some money, she ran up large credit card debts and became choked by fear.

The two women, a global celebrity and a Wisconsin divorcee trying to climb out from under a pile of bills, sought help in the budding field of financial therapy, where budget planning meets psychological counseling. They even went to a kind of money rehab, where, in six days of group therapy they dug deep into the roots of what psychologists call “money disorders,” the slew of unhealthy and self-destructive behaviors that are not as extreme as pathological gambling, kleptomania or compulsive shopping, but nevertheless afflict large numbers of people.

While it is difficult to pinpoint the number of patients or practitioners, experts in psychology and financial planning say the number of professionals offering to treat money disorders has multiplied in the last few years.

Although there are many self-help books on how to become rich, the fields of psychology and financial planning have been slow to link money and emotion. And money is still a great cultural taboo that is rarely discussed openly in this country, experts say.

“I’m still working on my money issues and I will be for a long time,” said Ms. Champeau, 57, who went to night school and eventually became a psychotherapist herself, allowing her to earn a living. But her fear of debt is still an issue: she buys much of her wardrobe at Goodwill. “I have always felt alone and a lot of shame around money,” she said.

Among the problem financial behaviors identified by psychologists in recent years are: overspending, underspending (a.k.a. Depression mentality), serial borrowing, financial infidelity (“cheating” on a spouse by spending and lying about it), workaholism, financial incest (lording money over relatives to control them), financial enabling (throwing large sums at, say, adult children who then are not motivated to support themselves), hoarding, and plenty of guilt and shame around poverty and wealth.

The financial storm thundering from Wall Street is likely to force many people to examine their relationships

with money well beyond their portfolios and bank accounts, some psychologists say. Even before this month's dire news, an online survey by the American Psychological Association in June found that 75 percent of the more than 2,500 adults said money was the No. 1 source of stress in their lives.

"This is a dangerous time," said Brad Klontz, a financial psychologist who is one of the authors of a study published this month in the journal *Psychological Services* that examines the state and treatment of money disorders. "And when people come for help around money, it goes so much deeper than what is in their bank accounts. It's a portal into unresolved family histories and generational history patterns."

Dr. Klontz's study looked at various money disorders and at a treatment center, Onsite, in Nashville, which was owned until recently by his father, Ted Klontz, a psychologist and life coach who still leads the "healing money issues" program there, along with a financial planner.

Under the American Psychological Association's professional code of ethics, therapists should not enter into outside relationships with clients, including business arrangements like financial planning. With the field of financial therapy so new, Dr. Brad Klontz and others said that when it came to financial planners who are also therapists, the ethics were still murky. He said "it could violate the ethical standards of the mental health field if a financial planner who was also trained as a therapist crossed the boundary from asset management or coaching into the realm of providing therapy."

Onsite is one of a number of programs and workshops devoted to problem money behaviors that fall short of psychiatric disorders like gambling and compulsive buying (which are treated at more traditional rehab facilities). It costs \$2,650 and involves six days of group therapy and financial counseling.

Both Ms. Judd, who attended the program when it started in 2004, and Ms. Champeau, who was there in July, said that they have been able to begin transforming their destructive financial behaviors. "If I can do it, anyone can," Ms. Judd said in an interview. "I'm in absolute financial recovery. I live by cash only, by cash budget. I'll go into Target with a money envelope."

"I've liquidated all the vehicles down to the ones we actually use," she added. "Instead of five Harleys, I have two."

Ms. Champeau, who lives in Racine, Wis., said that since she attended the program she has hired a financial planner who also has a master's degree in counseling. She is developing a specialty in money issues in her own psychotherapy practice and is speaking with a financial planner about teaming up to see clients.

At a time when the economy is stagnating and consumers are fearful about unemployment and retirement savings, it is easy to imagine that being rich or coming upon a windfall is a panacea, and that anyone who has money is feeling secure and serene. But plenty of people struggling with money issues are not poor. Research has shown a significant level of depression, for example, among lottery winners. Other research has shown that above a household income of \$50,000, there is little or no correlation between income and happiness.

A 35-year-old woman in Los Angeles said that after inheriting almost \$500,000 five years ago, she was often panicked and struggled with insomnia. She was ashamed, she said, to have so much money, which allowed her to start a production company and made her feel as if she was buying a career, not earning one. She spent

three quarters of her inheritance, realizing later that she was trying to get rid of it because she thought she was undeserving.

“I was feeling shame that people around me think I’m successful and I haven’t earned it,” said the woman, who asked that her name not be used so her family would not know she was speaking about her financial problems. “Everybody wants a windfall, and I’ve experienced that in my life. What I have to say about that is: you pay. I didn’t pay in money, but I paid in lots of years of my life.”

She said she sees a financial planner who has also trained as a therapist — but the services are only for financial planning.

Financial planners, including Rick Kahler, who has teamed up with Dr. Ted Klontz to provide financial advising and therapy to clients, say the combination of both specialties is highly effective. “I’ve never seen clients make progress faster than when they are working with me and a psychologist, preferably in the same meeting,” he said.

But many financial planners interviewed said they saw no need to have a therapist on their team. In their meetings with clients, they said, they often heard about problems with spending, families and marriages, and as years-long professional relationships developed, they became adept at offering informal life advice. “I do believe that you can refer clients to other professionals when there’s the need,” said Morris Armstrong, a financial planner in Danbury, Conn. “But I don’t necessarily think that everybody needs to have the Dr. Phil of financial planning.”

Among marital therapists, money is recognized as a source of stress between couples and in families; it is among the leading triggers of divorce. “People express other problems by arguing about money,” said Jonathan Rich, a psychologist in Irvine, Calif., who specializes in couples and money. “Issues of control and anger over other things in a relationship come out as money. And right now with the economy, there is so much money stress, more arguing and more tension over money.”

Another source of stress intertwined with money arises when adult children live with their parents, which is more common than in previous generations. “Boomer parents, the last thing they ever wanted to do was to live with their mother and father,” said Jeanne Fleming, a sociologist and columnist for Money magazine. “But when their kids want to come home, they often have two very conflicting reactions. They feel on the one hand really unsettled and they view their kids as a little spiritless. But on the other hand they are pleased that their kids view them as acceptable people to live with and tolerable housemates.”

But even as many psychologists say the current economic crisis is bound to worsen money disorders, some also say that it provides an opportunity. In some cases, it could help rein in overspenders and compulsive shoppers, they say, or make those with ample resources more grateful, and less stingy.

“The wave has come and it’s really a tsunami,” said Rosalind S. Dorlen, a psychologist in Summit, N.J. “The bottom may be falling out, but we do have some control over our thinking. We do have control over our hopelessness. There are people who are going to take fantastic creative steps during this time.”

