

EPISODE 955

“GK: People are passionate for freedom and they’re passionate for it in a lot of different ways and what life planning did was it put your individual freedom at the front of what was most important. Not your financial freedom but what would be profoundly meaningful for you or profoundly energizing for you.”

[INTRODUCTION]

[0:01:02.1]

FT: Can asking just three questions transform your relationship with money? Welcome to So Money everybody. I'm your host Farnoosh Torabi. Our guest today is called the father of financial life planning. George Kinder is a Harvard educated economist turned CPA, turned financial adviser. He's known for revolutionizing financial advice for now 30 years. He's trained over 3,000 professionals around the world in the field of financial life planning. He's the founder of the Kinder Institute of Life Planning and his recent book is called *A Golden Civilization and the Map of Mindfulness* where George draws on 50 years as of mindfulness practitioner and over 30 years as a mindfulness teacher.

He's famous for his three questions to help clients figure out what they value most and how to design their financial life around their values. George has been named one of the 35 most influential people in financial services and after listening to this interview, it's no secret why. Here is George Kinder

[INTERVIEW]

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FT: George Kinder, welcome to So Money.

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GK: Well, it's great to be here Farnoosh, thank you so much.

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FT: Thank you for joining us, I know you're very busy right now, you're on a worldwide tour to talk about your latest work, a book called *A Golden Civilization and the Map of Mindfulness*. I want to learn more about this in just a moment but let's take a giant step back for people listening who may be new to your work or are not sure what for example, life planning really means, you are noted as the father of the life planning movement.

You went to Harvard, you've worked in personal finance as a financial planner, a tax advisor for decades and you've trained — just so many people around the world on a framework that we're going to get into as well about how to basically plan your life using your money as a tool. I want to first learn about the beginning of all of this.

Money magazine kind of summarized your career as Harvard educated, went from financial planning and tax advising to launching Kinder institute of life planning but where were you at nine years old, 10 years old. Were you always fascinated perhaps about money and our mind when it came to what money means to us and how to make money "work for us?"

[0:03:34.6]

GK: Uhm... no. But the roots were there, the source was there. What drove me was not money but was a passion to live a creative life, a profound life and gosh, I started having kind of extraordinary experiences, more on the spiritual side of things when I was three years old and began asking deep and profound philosophical questions that I kept asking through high school and through college.

So as a child, I was very alive in this almost this other realm. I loved nature. When it came to having to earn a living, I felt almost as if I was being split in two because in the — you know, when I grew up in the 60s and 70s, there was a saying, I'm sure you've heard of it, "Do what you love and the money will follow," right?

[0:04:38.5]

FT: Follow your passion.

[0:04:40.3]

GK: Yeah.

[0:04:40.0]

FT: We say that still.

[0:04:41.9]

GK: Yeah, and I say it too but what I discovered rather rudely was no one would pay me for my – a single one of my poems and no one would pay me for a meditation. Or for spending time in nature. I was – and yet, my skills in Harvard, I entered as a math major and I went through economics, I ended up majoring in English but my strengths were mathematical and finance came extremely naturally to me but it wasn't what I was passionate about.

So in part, this whole movement, why I've come to be a leader in a movement that is all over the world is that I was passionate about doing something and my money life was separate from that and I needed to somehow find a way to bring that together.

[0:05:40.1]

FT: At the root of it, what do you think it was that spread the movement so wide and it was so well received. I mean, I meet people who are like George Kinder's method, has entirely changed my perspective on my life, it has improved my relationship. Do you think it's because you made it not just about the money, it's almost secondary to what you're really encouraging people to think about?

[0:06:05.1]

GK: Yeah, it is secondary. As you know, I've just been on a world tour and what I found everywhere is that people are passionate for freedom. They're passionate for it in a lot of different ways what life planning did was it put your individual freedom at the front of what was most important. Not your financial freedom but what would be profoundly meaningful for you or profoundly energizing for you.

We would ask deep questions of who you would want to be or what you would want to accomplish and we wouldn't shy away from the dept. Whereas most financial advisors are selling products or they're selling, they're counting their spreadsheets about how they deliver this kind of rate of return and reduce this risk. But, if you ask anybody on their death bed what they wish they had done, it's not about money, it's about something in their life.

We got to the core of it and then we found a way to have a dialogue and engagement with the client that was so meaningful and so exciting for the client. That the money piece was no longer problematic.

[0:07:21.1]

FT: Well, I'd love to go through this a little bit for listeners, I think this is going to be a really fun exercise for people listening. What do you say? To kind of go thorough – yeah, go through these questions, I love these questions that you encourage people to answer and just to preface what you mean by financial life planning. This is for you and for everyone who follows your method, it's really about the achieving freedom which is also a very personal definition.

[0:07:50.0]

GK: Absolutely. It's not my definition, it's the client's. We never asked them what is freedom for you, we have conversations about the context of their life and in fact, before we even go to the questions, just extremely briefly, the essence of life planning, of great life planning, is great listening.

The life planners who are the best life planners for a client are really good listeners. Really make the client feel like sharing things they might not have shared with anyone before including their spouse. Sharing what is – what would be most exciting or most profound or meaningful for them.

So it's that level of listening of a great mentor, of a great counsellor. That's kind of the actually the root of it and then what people get very excited about because it's easy to understand are the three questions. I don't know, do you want me to go into those?

[0:08:52.9]

FT: Yeah, I can also help prompt them but what you also just brought up in listening to you, what I'm hearing you say is basically for anyone listening who is in the pursuit of working with a financial planner, very important — a good red flag, I've experienced this, is when you go into the shiny boardroom and they're telling you about all their rates of return and it's just chart after chart and they haven't even asked you, you know, do you have kids?

[0:09:24.3]

GK: Yeah. We even — our questions are even more open ended than that. All that we ask really in the first meeting is, "Why are you here?" Or, "What would you like to accomplish if we were to work together for a while?" And we stay with that question so we don't ask about retirement, we don't ask about kids, we don't ask about education, we don't ask about the mortgage, we don't ask about anything like that.

It becomes a feel that the client can move into as they like without us prompting anything. That's where you get those movements and what's astonishing, the movements are often quantum leaps. They'll be talking about you know, coaching baseball for their kids or coaching dance and then the next thing you know, suddenly, they've moved into something that's profound about their mother or their father and how they treated them as a child.

[0:10:25.8]

FT: The first question is really about thinking big and imagining yourself in a world where there aren't any financial concerns. You want people to imagine, everyone listening, let's do this, get a pen and paper or rewind this. Imagine that you're financially secure, that you have enough money to take care of your needs now and in the future. The question is, how would you then live your life and what would you do with your money, would you change anything?

I find that this can always be a different answer depending on where you are in your life because in my 20s, I would have answered this much differently than today. Now that I have children and I have more financial obligations. This is important to maybe ask this of yourself for you know, every decade or how do you know you're getting to the right answer with this?

[0:11:17.1]

GK: Well, first of all, I want to say that these three questions that you're not introducing with the very first of them. As an advisor, I recommend using in the second meeting or after you've already had this very open ended soft listening experience with a client. Then we leap into this question and you're absolutely right, in fact, I will ask myself these questions several times a year, I'll come back and review them for myself. Certainly once a decade.

With clients, I would do it every couple of years, I'd come back because you never know when some life changing thing or some realization might come up and often the question will prompt that unconscious – what has been unconscious to be revealed.

And absolutely children change it, coming near to retirement, if we're thinking that way changes it but one of the things we discover in life planning is that retirement is not really what it's all about, it's really about living the fullness of your life and that happens at every stage in every – for every person.

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FT: Second question and this one is a little bit more, it's a hard one to answer but I think is an important question to ask yourself as we always know that life has its limits and this one is

imagining where your doctor tells you, you have just five to 10 years to live. The good part is that you won't ever feel sick.

The bad news is that you will have no notice of the moment of your death. What will you do in the time that you have remaining to live? You're going to have a quality life until those 10 years are done. Will you change your life and if so, how?

That's a little harder to answer, right? It can be fuelled by a lot of fear in some cases, how do you make this, how do you make a logical choice here?

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GK: Yeah, it's very valuable that the first question was kind of all about money, it's like winning the lottery, you get to kind of play and this one's clearly much more serious and it gets all of us to reflect. Very often, not always, it's been very often, maybe by far the majority of the responses have to do with family, with relationship. But also, one begins to think about well what is my legacy? If I only had that amount of time, left, either what is my legacy or what would I most enjoy that I've held myself back from experiencing for all these years.

We begin to get really much more important responses and responses that we think as life planners should be much closer to the drivers of a financial plan.

[0:14:17.2]

FT: And so, as you're answering these questions and as an advisor, you're hearing these answers. At what point do you go back to the money and think about well, how do we align these two things? Your goals might be over here on this corner; your finance is over here. If your finances aren't supporting these goals, is there ever a scenario where you might tell a client, that's just not realistic?

[0:14:46.2]

GK: Virtually never is the interesting answer. At first you think it is and we've all been trained that way where with money matters because we want to be very careful for our clients as well as for ourselves. We're naturally skeptics, we're naturally doubters, we're naturally concerned about the budget or concerned about debt.

What we do as a practice, this is the second meeting, this visionary meeting around the questions. We park all the financial stuff or the bulk of it, the difficult questions about it till the third meeting because what we find is that if the client, if we can find what would really inspire the client and then say you can have that.

I want to work with you to make that happen. Let's make that happen, you were born to do this. This is who clearly you are, let's make it happen. What happens is the client brings a layer or a level of energy to their life and what they really long to do that they've never imagined before.

They end up out of this meetings, they come up with an entrepreneurial fervor that's unbelievable. Even if it's about just caring for their infant daughter. They come out with an energy because they are no longer blocked by guilt of responsibilities and that energy then feeds, as well, their economics. So very often we have given clients an additional 10 or 15 hours a week and they've been so productive then at their work that there is not a hint of loss in what they're doing. They are so much more engaged. They are so much more alive so that is more or less how we do it, you know.

[0:16:38.9]

FT: Do you want to take this last question? This one really puts things in perspective and it has more immediate tone to it.

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GK: Yeah, do you want me to read it?

[0:16:50.6]

FT: Yeah, take it away.

[0:16:51.4]

GK: So here, so we have done the first two questions and the third one goes deeper still and the question is, this time you go to your physician, your doctor and he or she really shocks you with the news that you've had a real ailment, a rare disease and it's come to term that it was misdiagnosed. It was never diagnosed before but you have only one day left to live and the question is not what you would do with that day.

That is an easier question in a way. The question is, reflecting on your life and all the things that you'd anticipated doing, all the things you'd anticipated being, becoming. The question is, what did you not get to do and who did you not get to become?

[0:17:52.2]

FT: Excuse me while I go cry into my pillow.

[0:17:55.0]

GK: That is often what will happen, yeah.

[0:17:58.3]

FT: Do you hear that woman sobbing in the background? That's me. This requires a lot of inner work I feel like before you could really answer these questions. You have to know who you are and often, we just don't.

[0:18:12.6]

GK: Yeah and that's why Farnoosh, that's why that in the training for life planner the primary thing we train a life planner in is great listening skills. So that if that crying is there, we're there to hold it. We don't go with a therapist back to past experiences and all of that but we're empathic,

gracious, generous in spirit and kind and the client feels that so that they can move through the tears whenever they're there and come to the insights that are around those tears, surround the tears.

[0:18:50.3]

FT: Well, I often think that the gap sometimes between knowledge and action when it comes to matters of finance and personal finance is feeling empowered and motivated and money is meaningless without attaching to your money some sense of personal direction, values, hopes, dreams and I think this is really the winning ticket to answer these three questions, inevitably you are arriving at a place where now if you weren't passionate about you achieving financial steps.

Or achieving financial freedom or getting out of debt, let's just get really basic, getting out of debt, earning more, saving more, this if there is no other catalyst I don't think there is to really imagine yourself having just 10 years to live or this is your final day and really using your money as a way to help you arrive at the things that matter to even more than money.

[0:19:54.1]

GK: Absolutely. I couldn't agree more with the way you framed all of that. The movement from knowledge to action comes best and most vigorously and when you feel empowered and you feel motivated and with these three questions and there are a few other exercises we use life planning, what they do is they help us keep our eyes on the prize and the prize is not about the money. It is really about living an extraordinary life of who we're meant to be.

And it stimulates a kind of vigor and vitality in us that I've also written about in my earliest book on the seven stages of money maturity but that's what we want. We want to live full lives, passionate lives and money is really then becomes kind of the roots, the trunk, the strength that allows us to do that but without knowing the passion we can't get there.

[0:20:55.6]

FT: I think you have such interesting perspective of somebody who has been in this space spanning multiple generations and collectively 50 years as a mindfulness practitioner, 30 years as a teacher and then 30 years in the work of personal finance and tax advising and I do wonder, the world's changing you know? It is changing very rapidly and you know people have particular financial challenges today. Obstacles today that may have not existed when you first started in this work.

Things like student load debt has really ballooned and the cost of living has gone up. We just have been stagnant and I do wonder if you have found yourself at all tweaking a little bit of the methodology as the world has changed and as people's financial realities have adjusted a little bit to just the realities of the world, the circumstances of the world.

You know the chasm between the rich and the poor, so I wonder if you have personally in your own work had to adjust the methods because I don't know if you've noticed but personal finance advice is under a little bit of attack right now, you know? Where some journalists and policy makers and the general public sometimes wonders like, "Well if all of us are giving all this great advice, why haven't we seen more results?"

Why is everybody still living paycheck to paycheck, the majority of Americans? The majority of Americans couldn't come up with just a few hundred bucks in an emergency. So you start to wonder the impact and so not to get too out there but I just want to ask if you have found yourself questioning some of the ways that you're teaching your advisors and then their clients just given this what is happening externally and then in the world.

[0:23:01.4]

GK: Well it is so interesting that you asked the question and there is short and long answers and they are different really. I mean the short answer and it is pretty profound really is no and that answer is because what hasn't happened yet in all the personal advice, financial advice that has been given all over the world there is not enough of an understanding that this is all meant to be about you living the life that you are meant to live.

And when people, when we really realize that we deepen with a kind of strength into ourselves, we deepen into our authenticity. There is an integrity that we call upon and then as you just spoke a minute ago, we become empowered and motivated and vigorous to move from knowledge to action. So that still doesn't happen enough and partly it doesn't happen enough because the industry is still hugely controlled.

Even though the advice world is strong and wonderful, it is still hugely controlled and has a history coming from the product community and from the profit making community where the focus is not on the client, it is not on fiduciary, it's not on us realizing ourselves. So part of me says no, I haven't changed and then I am going to say the part of me that hasn't changed that says it is important for us to get this message out to everybody to all levels of society.

That this that money is meant to be for you and yes, the problems have changed but still, it should be your passion that drives the resolution of student debt, that knowing where it is that you're going and the cost of living and the rich and poor questions but the answer to me that is yes, Farnoosh, is related to my latest book and it may not be quite time in the interview to go there but I know that what happened to me in the 2008 financial crisis was I felt personally devastated by the crisis.

And it is partly for all the reasons you're mentioning that here I have been working in the industry for 30, 40 years promoting what I thought was integrity, client service, fiduciary and passion, passionate lives and then how could these one company after another after another — billion dollar fines and it is all in my most recent book but how could that happen and I thought, have I wasted my life?

You know I took it very personally, what am I even doing and so from that standpoint what I did in this latest book was I shifted to the issues of rich and poor, the issues of cost of living, the issues of student loan debt. I shifted to some of the structural issues that have brought those problems to bear and said, "Not only do we need this passion for everybody to live their life with greatest meaning."

But we also need to recognize that all of the work that we do, if we are truly an entrepreneurial society, I ask most capitalist friends, if we're genuinely entrepreneurial, how come at the top of

every hierarchy of power, every corporation, every non-profit, every government, how come we are not seeing after 250 years of this brilliance of humanity, we are not seeing at the top of every hierarchy of power a figure of great wisdom.

And that figure radiates down through their organization wisdom so you encounter wisdom at every level of that organization. If we were truly entrepreneurial wouldn't we be bringing the very best out of ourselves and out of our community, out of our society and that's what I think we are called to do now at this point in history both individually through life planning and now also I am talking about it's time to life plan civilization and make that happen.

[0:27:14.3]

FT: I love that we transitioned when we did to talking about your book. I think it was a great opportunity to talk about this next chapter in your life and in your work. The book is called, *A Golden Civilization and The Map of Mindfulness*. As you look out there in the world, who's doing it right? There must be templates out there right? This isn't something that we have to start from scratch. There are models of exemplary institutions and companies and democracies out there that are actually.

[0:27:47.9]

GK: Yeah, well it is wonderful. One of the chart surveys I have in the book is a survey of 180 countries and what level of democracy they have and clearly you can study those that chart and gain a lot of wisdom from that and we know that there are many organizations that are doing good work in the world and also are expanding for their communities. Greater levels of meaning and connection but the truth is that it is not happening sustainably all across.

And we know governments like Butan, but Butan is such a small island in the middle of the world have begun to shift their understanding of economics to one that they call happiness. I would call it freedom that they are really shifting to. So I think it is really more a question of it is time for all of us to address the question of why isn't this happening sustainably everywhere and in addition to corporations and governments and non-profits.

Being filled with brilliance intellectual brilliance that they should be filled with great hearts and great wisdom and if we are not finding that everywhere, we need to look at the structural roots of capitalism, of democracy of governments all over the world and think, "How can we shift this?" And let's make it happen now in our generation. There is no reason to have corruption. It doesn't make any sense that we have corruption.

Why don't we eliminate it? It doesn't make any sense that we have war or that we endanger the planet. It is time to solve those problems so that we can all live flourishing lives. Let's gather together and make that happen.

[0:29:45.6]

FT: George Kinder, thank you so much for joining us. This has been quite the half hour. You have given us a lot to think about but I love that we are able to connect with you now as we round out the year of 2019 and you know we look ahead. I am hopeful, it sounds like you have no other dial but optimism.

[0:30:10.6]

GK: I'm with you. I am with you and I am glad to hear from you.

[0:30:14.2]

FT: I am grateful. Thank you so much. Congratulations, wishing you safe travels and continued success.

[0:30:20.5]

GK: Wonderful, thank you so much Farnoosh, this has been a great pleasure for me.

[END]