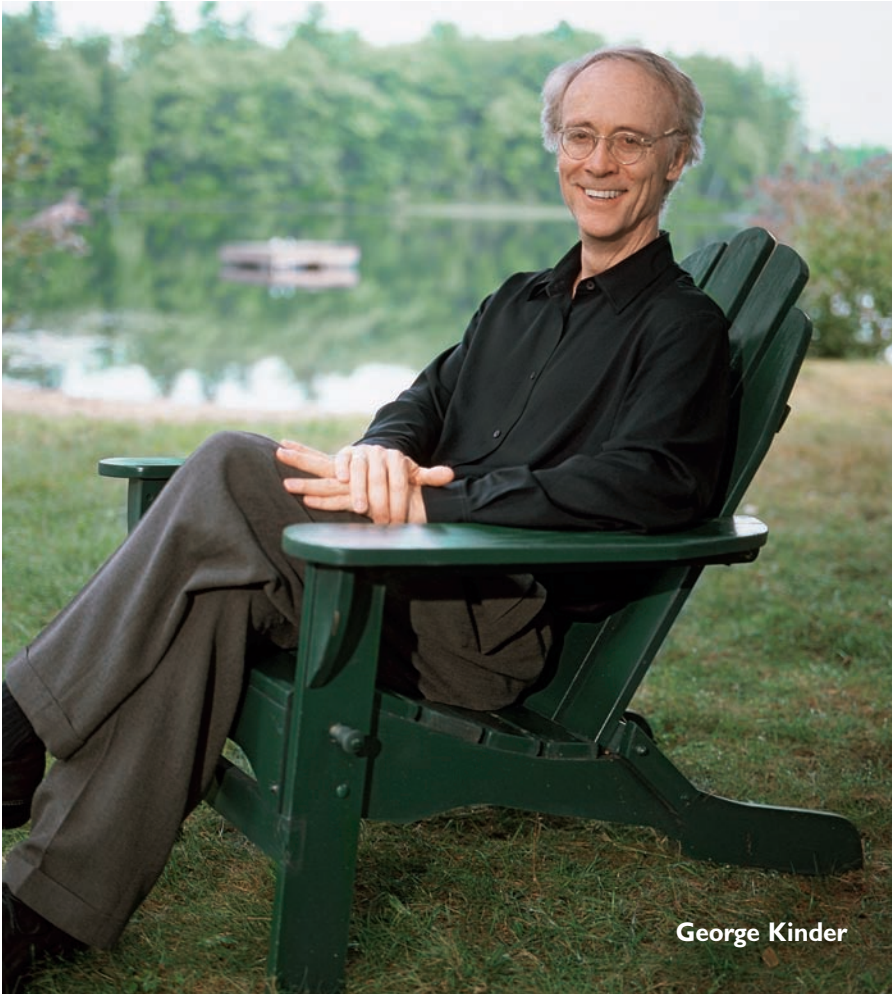


# Your Money, or Your Life?

*The promise of a more fulfilling approach to personal finance • by Nell Porter Brown*



George Kinder

**W**HEN financial planner George Kinder '70 sat down with new clients, he cared little about Roth IRAs, index-fund yields, or which life insurance to buy. He wanted to know what turned them on. "Our job," he asserts, "is to keep the flame of true desires alive."

Make no mistake. Kinder is a keen mathematician and entrepreneurial moneyman—talents first revealed through a boyhood paper route: one brother, who

didn't like asking people for money, worked 30 days delivering the goods; then Kinder spent two collecting the cash. But he is far from a stereotypical number-cruncher. He meditates for a couple of hours every day and says nothing in life is as real as the passing of each moment in time. He is devoted to the ancient Greek philosophers and English literature. And he has read *The Divine Comedy* many times over; he finds the descent into hell before entering heaven appealing. Some would say Kinder has found his own paradise in

Hana, a remote Hawaiian town of "lush jungles, beaches, waterfalls, rainbows, and indigenous people," where he and his family have a second home. "Once I'd discovered it," he says, "how could I not live there?"

This rich existence is the direct result of "life planning," a growing movement within the financial-services industry that Kinder has pioneered and promoted for about 15 years. Inspired by the ideas in *Money and the Meaning of Life*, by philosopher Jacob Needleman '56, the early life planners gathered in the 1990s through an informal think tank called the Nazrudin Project (cofounded by Kinder and named for the Sufi holy trickster). Kinder and the movement rated their own chapter in Lee Eisenberg's 2006 bestseller, *The Number*, which described Kinder as a "gaunt, somewhat bookish fellow with wispy hair and wire-frame glasses...a financial planner beyond category."

In essence, the movement aims not to connect clients with the typical commission-driven financial products and conventionally acceptable aims, but to meld their "deepest human aspirations for a life worth living" with rigorous financial goals. "Many of us are so used to our dreams being brushed off," he explains. "If you say you've always wanted to play the guitar like Eric Clapton, for instance, many people will laugh and say, 'Oh, yeah, you want to play like Clapton...Now, back to the real stuff—retirement, educating the kids, getting a house and a car.' But in that case, the planner is doing a disservice by covering over the client's deepest wishes to be creative."

Kinder eschews practiced sales pitches in favor of three deceptively simple signature questions. "What I've found through these questions over the years is that people's dreams, at heart, center around family, creativity, spirit, community, and the

environment—"a sense of place," he says. "In answers to the third question, which speaks to mortality, to legacy, you never hear about a Mercedes or big, expensive homes. Because in the end, life is about personal dreams of freedom."

At a recent workshop for planners, Kinder spoke of a former client who wanted "more than anything" to buy an investment property in Massachusetts, on the North Shore: "It was a great building, the man was very enthusiastic." They talked about returns to be expected and what steps were required to earn enough extra money during the next decade or so to bring the project to life. And then Kinder posed his three questions, which must be answered one at a time, in strict order.

Assume you've got all the money you need. What would you do with it? How would you live?

You just found out you have only five to 10 years to live. How will you live those years?

The building—a tangible, respectable goal—figured into both answers.

Kinder then asked the last question.

You've just found out you have 24 hours to live. What did you miss? Who did you not get to be? What did you not get to do?

The man thought hard—and the building disappeared from the list of desires. What he really wanted was "an authentic, better relationship with his six-year-old son."

Kinder, a skilled, theatrical presenter of stories and ideas, let the weight of this response hang in the air. "Then I told him, 'How would it be if, from a financial viewpoint, I got you five extra hours a week to spend with your son? Would that do it?' And the man just brightened up and said, 'Yes, that would be very good,'" Kinder reported. "Now, if I had gone and gotten him the building, being a good financial planner who 'gets people what they want,' it would've been as good as selling him a product, and it would be mis-selling. It would've taken him at least






five hours a week, probably more, in order to fund the cash flow for the building...I would've taken him further away from where he really wants to be as a person and a father, which is closer to his son."

KINDER IS CLEARLY ON to something. He has been named "most influential planner" in the financial-industry press, "a visionary" in dozens of mainstream articles and on talk shows, and sometimes called the father of the life-planning movement. Its mission and methodology are outlined in his 1999 book, *Seven Stages of Money Maturity: Understanding the Spirit and Value of Money in Your Life*, a "cult favorite among financial advisers," he says. It presents his own personal practices and philosophy, drawing heavily on Buddhism, William Blake, Aristotle, Shakespeare, and Dante. "This work is about sparking transformation in the client," says Kinder, who began his career as a tax accountant in Cambridge in the mid 1970s. "A 20 percent return rate is good. But what's really sexy is finding



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what people want out of life and how to help them get it.”

Kinder sold his financial-planning practice, now operated by Abacus Wealth Management, in 2000 and rarely sees private clients today. Instead, he runs the Kinder Institute of Life Planning, which he cofounded in 2002 with Susan Galvan; in 2006 they wrote *Lighting the Torch: The Kinder Method™ of Life Planning*, a more formal textbook for planners. (Galvan has since left to open her own company.) The institute develops the movement and trains advisers in the U.S. and around the world. After completing a three-step, intensive workshop series (including a six-month mentorship), advisers may register as “life planners” through the institute, based in Littleton, Massachusetts, where Kinder and his family live most of the year. (Kinder himself travels extensively to promote life planning, most recently to the Netherlands, Australia, and South Africa.)

“Financial planner” describes a broad

group of advisers with varying skills, professional schooling, and motivations. In the last three decades, many have sought to professionalize the industry and cut down on potential abuses through better self-regulation, the formation of trade groups, standardization of certification

**“A 20 percent return rate is good. But what’s really sexy is finding what people want out of life and how to help them get it.”**

and training programs, and the use of classifications that indicate whether a given planner has a vested interest in a product or investment outcome (e.g., fee-only versus commission-based). Having taken courses and an exam, Kinder is, for example, a certified financial planner. “One of the industry’s main problems is its perceived lack of integrity; people don’t trust us,” says Kinder. “The movement in financial services all over the

world is from sales to service, often from commissions to fees [which are paid solely by the client]. Financial planning is broken when it doesn’t have life planning at its root. It’s a blunt instrument and it’s inefficient when you really don’t know who the client is.” Life planning, he says,

matches clients’ passions and purposes to their investments, retirement accounts, taxes, estate plans, insurance, and budgets: “It genuinely marries meaning and money.”

One reason life planning is growing in popularity, he adds, is that every major economic upheaval—the recessions of 1973 and 1982, the Internet bubble burst of 2001, the response to 9/11, and the current mortgage crisis—spawns collective ques-



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tions about the meaning of material wealth in life, and about the institutions that govern money and policy. Kinder also points to his fellow aging baby boomers and their continued search for meaning in life. “Frankly, I think we’ve always wanted something like life planning,” he says, “and it’s coming now because more of us have savings and inheritances than ever before, and we’re tired of ‘sales’ and ‘being sold products’ as our [primary] relationship with money and financial advisers. And advisers are equally fed up with the ‘sales model.’”

KINDER’S PASSION for personal freedom came early. One of four boys, he grew up in St. Clairsville, Ohio, near the West Vir-

horrified his parents by moving to rural Massachusetts after graduation “to live a life of spiritual practice and writing.” Then his father hired him to do some research on the stock market. Kinder enjoyed it, and learned a great deal. Eventually his mother suggested that he try accounting, because he was good at math and could do the work part-time. In 1975, he won an award for the third-highest score in the state on the CPA exam.

For the next 13 years he was a tax accountant, sometimes waking at 4 A.M. to paper neighborhood cars with flyers for his business; these entrepreneurial leanings helped transform the company into a broader financial-planning business by the early 1980s. “Many of my [tax] clients

Buddha called ‘impermanence’ or *anicca*. Both understood how attachment drives us, but at the same time, obscures us from the truth.”

He says that part of building maturity around money is facing what Blake refers to as the innocence and pain of childhood, and what Buddhists see as the constant, dramatic cycling between pain and pleasure. Money is the last taboo. “In a profound way, money concerns intimacy more than sex does. It speaks to our relationship with both ourselves—in terms of identity and purpose in the world—and with others—in terms of family, love, and friendship,” he writes. Problems arise because we project unmet intimacy needs onto the receiving, giving, saving, earning, and losing of money, he believes, and then “money becomes a substitute for intimacy.”

“Nobody wants to see financial planning as an emotional process. But what’s more emotional than divorce, disability, and death?...We always had boxes of tissues at our office.”

ginia border. His brothers all went to Princeton, like their forebears; only George “rebelled.” Their father was a country lawyer with something of a harsh work ethic. “It took me many more years than I would have liked to develop a career path and a relationship with work that felt healthy,” Kinder says. “I gravitated toward my mother, who had a sense of budgeting, creativity, and spirit.”

His earliest memory of money—he asks workshop participants to delve repeatedly into their own—is the paper route. He wore a coin machine on a leather belt and liked to dispense change. Once home, “I’d go to my bedroom and lay out all the money I’d collected and count it out, like a miser,” he said during a recent workshop. In his “puritanical” household, indulgences were disallowed, but “this was my money, and it introduced me to the sensuous experience of life and money. I loved rock-’n’-roll, and with this money I had Jerry Lee Lewis, candy, and soda pop.”

At Harvard, Kinder studied math, then economics, and then fine arts before settling on English, and soon discovered world religions and meditation. He

were making boneheaded investments on the recommendation of supposedly professional financial advisors, many of whom were raking in big commissions for bad advice,” Kinder writes in *Seven Stages*. “Angered by this combination of ineptitude and greed, I figured I owed my clients a chance at something better.” In the mid 1980s, he began offering a popular course on retirement savings at the Cambridge Center for Adult Education, which he repeated in Hawaii (where, after chasing a romantic interest, he had begun to live part time). All the while, he continued his Buddhist practices, in time becoming a teacher. (He sometimes leads four week-long Buddhist retreats a year and still keeps up with a Cambridge meditation group.)

His attachment to Blake also continues. *Songs of Innocence* and *Songs of Experience* figure strongly in *Seven Stages*. “Both Blake and Buddhism teach essentially about being present in the moment, about selflessness, and about forgiveness or compassion,” Kinder says. “In both, a central teaching is that the truth of things is found in a radical attentiveness to what Blake called ‘minute particulars’ and the

KINDER’S APPROACH is still seen as novel—sometimes suspiciously “therapeutic”—among traditional financial planners. At a spring workshop, Kinder had participants think and talk about their feelings—about money (envy, greed, fear, excitement, lust, longing), about painful life experiences, and about their most private unfulfilled relationships and personal goals. Twice the group sat, in their business-casual attire, in silent meditation, trying, as Kinder intoned, to “feel the sensations in the body and the passing of each moment in time.... Let thoughts go, let beliefs go, let judgments go...Just be in the moment, as it is.”

When asked why there was so much emotional content, Kinder said, simply, “Nobody wants to see financial planning as an emotional process. But what’s more emotional than divorce, disability, and death? Those are the things clients care about and talk about. We always had boxes of tissues at our office.” What’s different, he added, is that life planning does not delve into the root, psychological causes of childhood traumas or dynamics, as many therapists do. Instead, it strives to help clients identify and address emotionally laden obstacles or desires that are directly related to planning their use of time and money. “We train advisers to be at ease and comfortable with feelings and to be good empathetic

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listeners—those are really the overlaps with therapy,” Kinder said later. “If the adviser thinks the feelings are more than they would feel comfortable with, or more than the client would want, we train the adviser to back off toward a more traditional plan.”

By the end of the two-day workshop, many planners had clearly learned something new about themselves and money. “You can only go as far with a client as you have gone with yourself,” Kinder told them. “What I am trying to do is help financial advisers be more radically present to themselves and, in turn, to their clients.”

KINDER HIMSELF RETURNS to his foundational questions three or four times a year, “when I am going through a transition of sorts, when life hits me with some blow that has thrown me and I need to find out what’s significant, what’s bedrock.” Currently, his answer to the third set of questions also includes spending more time with his children, Rachel and London, whom he had with Kathy Lubar, his third—but “first successful”—wife, Kinder jokes. She is an actress and owner of The Ariel Group, which teaches executive leadership skills using theatrical techniques. He has also vowed to create “wildly, including illuminated manuscripts.” Last year, he self-published a book of his photographs and poems called *A Song for Hana & the Spirit of Leho’ul* (50 percent of the profits go to conserving the Hawaiian coastline), and is at work on seven more books.

When asked, he lays out his ideal day: 6 A.M. to 2 P.M. for meditation, spiritual practice, and “wildly creative activities, and in nature”; 2 P.M. to 6:30 P.M., work on life-planning business; 6:30 P.M. to 9:30 P.M., time with the family.

Travel and workshops, and whole days with the family, can interrupt this flow. But in the end, Kinder’s greatest assets may be this focused dedication to his own personal freedom and the talent to bring about the same clarity of vision in others. “The reality is, a lot of us just putter along and then die,” he says. “But everyone should experience life, the glorious nature of life. If I can’t help people do that, what I am doing this for?”

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