Season Two, Episode 8: Understanding and managing client spending habits

Shabnam 0:05

Welcome to the Psychology of Case Management podcast: the show that helps you use psychological ideas to strengthen your relationship with your catastrophically injured clients and their professional networks, so you can achieve more for your clients and feel more fulfilled in your role.

0:20

Hello to you, dear listener, and thank you for tuning in to this solo episode. I've had some tricky conversations and some uncomfortable conversations about finances recently, both in my personal and professional lives. And they have raised all sorts of questions for me in terms of money and what money makes people feel – emotionally, and also physically – in terms of sort of security, safety, threat, fear; how people are perceived, with and without money; what people are used to doing, and having; who gets involved with financial planning; and how feelings about money and needs can be related to our behaviours and choices around money: how we spend it (or not), what we say to others about it (or not), and what our true motives are.

So I thought I would talk about money and unhelpful client and client family spending, why it could happen, and what we as Personal Injury professionals can do about it, so it is, I guess, less of a problem than we might experience it to be – meaning we can get on with our actual jobs without having the constant worries about money talks. Because I find that if there are issues around spending – and the ideas I will share with you can be applied to over- or under-spending – then whatever Personal Injury professionals we are, it can be the kind of conversation that causes upset, discomfort, and can cause clashes with our clients that could potentially put the relationship at risk. And no-one really wants that, do they? In fact, I know some clients who have changed their professional team members because of constant disagreements around money. It can also take up a lot of our time: administratively, and in terms of emotional headspace, when spend, or evidence of spend, is not done according to the rules of litigation. There can be a lot of anger, disappointment, fear, confusion… around why things are being said. That can be from both the client and the professional injury professional's side. And when the conversations are so laden with emotions, such as those I've just mentioned, we can often see avoidance seeping in, where a spending pattern is set, and then the client or the client's family are then colluded with through silence, or there are heated discussions at points which cause friction and can be very distressing.

2:44

Interestingly, in the research literature, the issue of money is actually a common clinical and professional problem that has not actually received a huge amount of attention, from what I can see. Which is actually quite weird, because it can be so problematic, and so widely experienced by multiple members of a team around the client and their family. And I reckon money can be used to understand underlying psychological motivations and needs. In other words, I see it as a symptom of emotions and thought processes. How people express themselves is through their spending. And equally how people understand others' use of money is coloured by objective rules, but also by their own underlying relationship with money.

I want to unpick what I mean by 'underlying emotions and beliefs', and 'the relationship with money' to understand what's going on here, and why, in the hope that it's going to help us do our job that bit more easily, and help us sustain ourselves in this funny old litigation world. In true psychology style, of course, though, let's use our own experiences to illustrate some points – reflecting, if you will – and let's take it back to our childhoods. But before I do: a little bit of science first, if I may. And if you listen to last week's episode, you'll know that that's super important.

4:05

So the literature says that money is linked to our deepest forms of self-esteem and sense of self-worth. There's a book by Cloé Madanes, in the 90s, and in that book she says that 81% of people feel they do not know how to handle money – when it's their own money, when it's linked to themselves in some way. And this could be because of upbringing habits, and/or the fact that society does not talk openly about money, it's a very private matter. In fact, Blumstein and colleagues have talked about how people would rather talk about their sex lives than share their financial data! I find that kind of crazy but, yeah, kind of weirdly get it at the same time. Mumford and his team have written about money management being the biggest topic of conflict amongst couples in therapy. It starts off with little attention being paid by couples to their spending, and how assumptions are made based on a sensible material owning. So for example, I don't know, like a house, car, clothing, etc; perhaps to some degree the job people do, not really meaning or experience of using money. And then they go on to say that actually *meaning* of money is often passed down from parents, and people in couples don't tend to recognize that until a bit further down the line. I mean, where else do you get your beliefs about money from, anyway? It's kind of common sense, you could say. You know, there are sayings: “Money doesn't grow on trees,” and “A penny saved is a penny earned; and “Money is the root of all evil”; “Money talks”; “Put your money where your mouth is” (I say that a lot, actually), and “He who has the money has the power.”

My dad talks about coming to this country with only five pounds in his pocket and the clothes on his back. So he has worked for every single penny he's ever owned. And this is what I know about money: work hard, and you will reap the financial rewards and have choices. On the other hand, my mother-in-law often talks about being a ‘war baby’, and how she feels she has always needed to be frugal and live minimally. And actually, I would argue my husband is quite similar. Luckily for me and my husband, we have similar ideas about not believing that money is automatically in abundance. But what if we did? What if he was more liberal with his money than me? Conflict Central, I would argue!

One interesting finding in the research literature by Blumstein and Schwartz, was that when individuals feel powerless over money, they can become almost irrational in their responses to money questions and spending. So, for example, they might overspend, they might underspend, they might refuse to work, they might display compulsive spending habits. They might experience anxiety, depression, even eating disorders, and display alcoholism. I find this really interesting, because I think it's getting closer to the sort of issues that we might face with our clients.

Some research by Doyle found that four personality characteristics were linked to money meaning: so, you have the *avoiders* – they're the procrastinators, and they use other avoidance methods to just feel less stressed. And such people do not want to take on the responsibility of managing money properly. And people with this sort of personality trait like being admired in the community. The *rulers*, on the other hand, they seek worth and significance by trying to show that they are better than others: living it up, or one-upmanship… People with this style can typically live beyond their means. Then you've got the *getters* or the *pleasers*: people who believe that their self-worth can be bought. They often want to gift or lend money, so they tend to be quite generous and cannot say no. A somewhat vulnerable type of person, if a company knows this of them. And then finally, you've got the *controllers*, who are perhaps secretive about their funds and will give the impression of being sort of under-resourced. They can sometimes be passive-aggressive in their discussions about money to avoid ridicule.

Felton, Collins, and Brown also talk about money being viewed on five different spectrums, or continuums. So you've got the spending versus saving continuum, you've got the risk-taking versus risk avoidance, generalist versus the particularist: so, someone who can view money generally, versus micromanaging every penny. You've also got the impulsive versus reflective spender. And the change-adaptive versus change-avoidant. So that's flexible thinking around spend, versus a fixed view about how money should be managed.

8:54

The point I'm trying to make with all of this literature, is that how people have been taught or modelled to believe truths about themselves as they were growing up, will be expressed in their use of money, where money management will demonstrate what they feel about themselves. And this goes for us as professionals, as much as our clients and their families. So, let's do a bit of a brief exercise, if you will – and if you fancy. I'm going to ask a series of questions about you and your spending. And then the same about what you might have gleaned from your clients or their families. The questions will be in the shownotes too, so don't worry about needing to hold them in mind. They come from an idea that you have your own beliefs and you bring them to the table, as a professional, when you're talking about money with whoever you have explicit conversations about money with. And that will, of course, include your clients and their families. So feel feel free to pause the episode whenever you like, and I'll just shoot off:

So, there are 14 questions:

1. What does money mean to you? And where do you think you got that idea from?

2. How did you grow up? For example, in a low-income or rich family, or somewhere in between? How has this experience affected your perception of money?

3. Did your family have any financial worries when you were a child? How were they managed? What did you learn from this experience?

4. What were conversations about money like, growing up? How were any conflicts resolved?

5. What does it mean to have financial self-discipline? What is positive about it? What is negative about it? And how do you feel when you exercise financial self-discipline?

6. What does it mean to overspend?

7. What does it mean to *under*spend?

8. On what items do you tend to over- or underspend money?

9. How do you feel when you overspend and underspend? Feel free to identify all the feelings: those on the surface, and – of course – deeper within.

10. What are your overt and covert motivations for over- and underspending? Or being self-disciplined?

11. What are your financial priorities?

12. In what ways do you agree or disagree with your financial priorities?

13. Who has control over the money in your relationship? What are the rules you have about how to manage your money?

14. How would you like to change some of the rules that you've identified from the previous question?

Have a little reflect on how that felt, how easy it was – or difficult. And now, let's try and answer the same questions while holding your clients or families in mind.

1. What does money mean to your client and their family? How do you know where they got these ideas from?

2. How did they grow up such as in a low-income or rich family, or somewhere in between? And how do you think this has affected their perception of money?

3. Do you know if their family has had any financial worries, when they were a child? Any ideas about how they were managed? What do you think they might have learned from the experience?

4. What were conversations about money like, growing up, for them? Were there any conflicts, and how were they resolved, do you think?

5. What does it mean to for them to have financial self-discipline? What do you think they might see is positive about it? Or negative about it? And how might you feel when they are asked to exercise financial discipline?

6. What might it mean to them to overspend?

7. What might it mean to them to underspend?

8. On what items do they tend to over- or underspend money?

9. What might they feel when they overspend or underspend? Perhaps you can identify some feelings that they might be going through?

10. What are their likely overt and covert motivations for under- or overspending, or being self-disciplined?

11. What are their financial priorities, do you think?

12. In what ways do you agree or disagree with their financial priorities?

13. Who has control over the money in the relationship that you have with your client? What are the rules you have about how to manage your client's money? Have they been made explicit or clear? Have they been reviewed, taking into account personality factors, as described earlier?

14. How might your client or their family member like to change some of the rules from the previous question?

So, reflecting further, what similarities arose, if any? Any differences? Why might similarities or differences occur? Did you notice any emotions arise as you were doing the exercises? Was it an easy exercise to do? Was one part easier than the other? And why might that have been? Again, please feel free to pause this episode to reflect and consider what might be going on for you, and possibly for your clients.

14:39

When clients are sadly involved in serious or catastrophic personal injuries and have to deal with life-changing injuries at the blink of an eye, something very fundamental seems to happen for the client, their family and the new professional system around the client. Everyone has to work with everyone else, while holding their own personal – and, as we know now, often private – beliefs about money. It can be massively, massively uncomfortable: ideas about rehabilitation practices around health and illness; ways to cope with trauma and injury with people who get and don't get our ways; those who know, and don't know us. All this gets thrown into a single pressure pot, which is governed by an external set of rules and regulations with policies and procedures that require following to help a client get the best financial outcome possible, to live as close to the life they would have had, had it not been for the injury.

When thought of like this, it's a complete and utter recipe for disaster! And often we find conflict between clients and family members with the professional team – kind of not a surprise. A bit like you might find in a group of unfamiliar people who have just been thrown together and told to solve a massive problem which has massive implications, within the context of an injury, which is sensitive to threat and shame and guilt and trauma and control. Where money use needs to be monitored and justified; when family members need to explain spend from funds that are not actually theirs; with different ideas floating about, about what is best for the client themselves, to explain how the input is required as a result of the injury, and not what someone would have had anyway… you know how it goes. Decisions that will be scrutinized continuously, answers for which might *feel right* due to the emotional impact of the injury, but do not perhaps *look right* to the more objective, professional perspective – and certainly not from the court's perspective. Against rules that are someone else's, and not really clear... Oh, and all within a timeframe. It's a lot of pressure, isn't it?

In any one litigation case, we then have a client with their family and their values and experiences, the life they had, or have now, feeling trauma, anxiety, irrational behaviours… We also have a range of professionals – legal, therapy, care, case management – some with strategies and recoverability knowledge; not knowing the client's premorbid lifestyle, nor their life experiences; rules about funding and spend, which may or may not have made sense; skills and ideas to help the case... I know what *won't* help: having to engage in potential triggering conversations that mean personality characteristics are displayed and coping strategies are implemented. The anxiety is kind of palpable, the consequences of getting it wrong, huge. Disengaged clients is a real possibility, and misunderstanding what money means and why spending habits are such unknowns. This is yet another way for psychology to step in, actually, and help make sense of a part of our Personal Injury profession, whatever it is, because it will make our jobs, the outcomes and, crucially, the therapeutic relationship much stronger. So with my psychology hat on, I would like to introduce to you the theory of Compassion-Focused Therapy. It's a theory we have talked about in Series One, in relation to trauma, but I wanted to use it to explain clients' and client family overspend, specifically.

18:25

So, as a little recap, every one of our personal injury clients or their immediate family members will be traumatized by the injury in some way or other, and in varying degrees. Memories of the injury can trigger feelings of trauma, and subsequent life experiences will also trigger those memories, and also that sense of trauma. Those life experiences might be any time the client is unwell, or they perceive the client has unmet needs. Everyday life experiences might be experienced traumatically, which is likely to trigger a threat response. And we know that trauma activates the threat system in our brains, which then activates the drive system to achieve or get things done. For many families, the funding available to them enables them to achieve and get things done, perhaps in a way they never would have been able to before. And this can be entangled, too, with a sense of their own purpose and self-worth, which we know from the earlier part of this episode is part of people's motivations. And we know that when driven – and people are in that sort of 'getting things done' state – we get a chemical reaction: we get a hormonal release of dopamine – we get a dopamine hit. And we can feel hugely rewarded for doing what we're doing. And, on top, often we get social praises which motivate us to keep going. We then begin to see how spending more can be linked to creating more dopamine, or getting that social praise, which counteracts the awful trauma feeling and memories. It produces relief from the burden of trauma. And it becomes a form of emotional numbing, a sort of mythical financial panacea.

There is also a part of our brain that understands care, compassion, contentment and safety. In Compassion-Focused-Therapy-speak this is called a soothing system. And this is what needs to be triggered in order to break out of that threat-drive state. It's already in our brains, and we can tap into those feel-good neurochemicals such as oxytocin, endorphins and opiates. The success of any soothing system remedy depends on the relationship that is built: communicating in a way that does not trigger further emotional turmoil, which then activates the very maladaptive coping style that we are trying to minimize. I hope that makes a little bit of sense. And feel free to go back to the CFT (Compassion-Focused Therapy) episode for a bit more information. But for now, with this in mind, the next question – for me, as a Personal Injury professional – would be: How the heck do they get out of this loop, in this neuroscientific understanding, which is based on our relationship with our clients, in order to just make sure that the litigation goes as well as it can do?

21:25

So here are my five top tips, using the literature that I've talked about, and the clinical theory – and, I guess, some of my experience, really – to think about how we might be able to work with our clients. So the first point: *consider the relationship our clients and their families have with money*. So, thinking about some of those questions I asked earlier: What are their personality traits? Are they people who exist on one of those five spectrum behaviours that we talked about earlier? Could these ideas be part of your assessment of understanding the client? Is there a role for the threat-drive-soothe Compassion-Focused Therapy idea, to make sense of… certainly overspend? We do, at the end of the day, reside in a capitalist society, a very materialistic society, where money can be equated with healing, whatever 'healing' means. We're in the middle of a pandemic, and Amazon grew exponentially during the pandemic, because money is meant to make everything better, right? Dopamine hits mask anxiety and fears, which is what our clients and their families will most inevitably be experiencing, in some way.

My second tip is: *Using your own relationship, or asking professionals in the team around the client, to help assess the family dynamics, and what the relationship quality is like between key family members and a client, specifically*. This will of course, take some time but can reap most benefit from being started as early as the relationship has begun, really. Families are assumed to have a good enough relationship with the injured family member to feel okay with rearranging their lives. And this can be a huge emotional source of internal conflict that professionals may not be aware of. For example, someone might think: "I should be there for my parent, or my child, or my partner. But I also want a career or I want children, for myself, which feels impossible to achieve now." Or people might think: "It's my duty to support my partner or my parent, but I don't *like* him or her." Or, "I will help, but I want to know what I can get from this team, because I'm only doing this because I have to." If a poor relationship exists between two family members, and that isn't identified or understood, trauma could trigger threat and drive responses, which sets up the problem we are actually trying to avoid. Some of the questions that we talked about earlier might actually be helpful here, too.

Okay, so my third top tip: *making groundrules around spend really clear from the absolute beginning*. And as much in writing, or in other mediums of communication, as possible can be a really helpful way to set the scene clearly and strongly for a client and their family. Using other professionals around the client to help reinforce the ideas, and reviewing this input in the first year, can help ensure the right level of spend is actually achievable. At the very least, it sets boundaries about what is and isn't appropriate. This might include asking about debts or coping strategies when spending money is involved, whether therapy or 'retail therapy'. The rules around 'recoverability' and 'reasonable spend' are confusing for family members. And maybe we've forgotten that, since we may have been working in the field for some time, but clients often talk about not remembering the rules, or not even having a memory of being told the rules. Whereas we professionals, especially deputies, will say that they were very clear about how the funds could/can/will be used. But I think we have to accept that if someone is overwhelmed by trauma and associated emotions, they will need to hear the expectations several times over, possibly in different ways. So I urge that to be part of how we communicate with our clients, not to get carried away with – perhaps – avoidance of difficult conversations.

My fourth top tip would be: *Being a family carer amongst a team of paid carers can trigger some family members to feel undervalued, disrespected, unimportant, and perhaps like the system is a bit unfair*. All of which, of course, raises the threat levels. So, set up the role of the care team well from the start, invest in the induction, not just with the care team, but with the family as well. Often it can be a case of making clear the roles and the responsibilities about the professionals. But offering the same type of induction to the family is often missing. For example, the adjustment process; the impact of having a new team or person in their lives, and what that might look like and feel like; acknowledging discomfort and knowing where to go with it. The aim here is to reduce that sense of threat, and help manage clients' and their families' expectations, because it can make those tough money conversations so much harder.

And my final point would be: *How much do clients understand the dangers of underspending?* Spending on non-recoverable items or services, and where a habit of underspending might even come from? Are they a 'controller' or a 'pleaser'? Or perhaps someone whose self-worth is based on a sense of, I don't know, punishment – either from themselves or others – which then drives their decisions. What beliefs do they grow up having, when it came to money? Underspending, as we know, in litigation is equally a big problem and comes in different forms. For example, not spending money on care team needs; not wanting to hold meetings; waiting for equipment to break or be unsafe before being replaced; withholding on case management input because it might make life feel like it's easier. So, making the case for a balanced approach to spend is absolutely key, and how that looks is also key.

27:38

People are complicated, as a default. And our clients and their families would additionally be feeling a range of distressed feelings following their traumatic experience that further complicates the decisions and choices they can make. Money is such an important part of the litigation journey, and it can be hard to know how to discuss it. But – like many topics – they are uncomfortable. It is better to discuss it than not, because the repercussions can be huge for the professional relationship, as well as for the client, whom we are all working so very hard to get the best outcome for.

It’s coming up to Christmas, so we might see more trauma and sadness which exacerbates the spending behaviours. So do watch out for that. Sometimes there is little more that can be done within your role, and that's okay. Using the other professionals in the network around the clients can be helpful, but sometimes that is not enough, either – and that's okay too. If you understand the client or family members have such entrenched and deep-seated beliefs about themselves that generate the kind of unhelpful spending behaviours that concern you, sympathetic, honest, *curious* and reassuring conversations will likely help them accept, perhaps, specialist help – like we can offer at PsychWorks Associates – without feeling like the therapeutic relationship that you have built with them has been damaged. You can then go about your actual work, and your client or their family members can perhaps reflect a little on what needs to happen to get the best outcome.

I'll stop there for now. Please do feel free to contact us at PsychWorks Associates, should you feel that we might be able to help therapeutically with your clients: either through consultation with you, or directly with your client.

For now, see you next time!

29:29

Before you go: if you enjoyed the episode today, I'd really appreciate it if you could rate it on whatever platform you're listening on, and share and like on your social media profiles. Word of mouth is the best way for us to grow and to be a continuous resource for all. And if there's any topic you wish for us to cover, please drop us a line on our website. Thank you so much for all your support.

Presenter: Dr Shabnam Berry-Khan, Director of PsychWorks Associates

Editor: Emily Crosby Media

Transcribed by https://otter.ai