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Compassion Fatigue

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I don't watch much TV these days, but one of my favorite shows is "Scrubs," perhaps partly because of its hospital setting, in my opinion, "Scrubs" does the best job of capturing the feelings and situations that life throws at us since "M*A*S*H." In one poignant scene, a young intern is criticizing an older doctor about his graveyard humor. The mentor points to a doctor talking to a family and says: "That surgeon is telling them that their husband and father didn't survive the operation. They're going to go home, and maybe take the next few days to mourn. He has to perform another life or death operation in 30 minutes. That's why we have to keep our feelings at a distance. If we didn't, we couldn't do our jobs."

In the medical profession, the term for what happens when you get too emotionally involved for too long is "compassion fatigue." Healthcare providers are trained in how to maintain a disengaged professionalism, and have support organizations to help them if they slip over into compassion fatigue (the Compassion Fatigue Awareness Project at **compassionfatigue.org** and the Center for Professional Well-Being in Durham, North Carolina, for instance). Its symptoms can include apathy, a feeling of isolation, and emotional outbursts, as well as headaches, insomnia, depression, and/or anger.

Unfortunately, there isn't any such training or support in professional detachment for financial advisors. Most independent advisors I know feel a high degree of "attachment" to the well-being of their clients--it's one of the things that makes them great advisors, and separates them from the rest of the financial services industry. Yet in times like these, when portfolios are halved, financial plans are in tatters, and clients are emotional, financial advisors more than ever need to be objective and professional. It's an emotional rollercoaster that can lead an advisor's own brand of compassion fatigue, and inhibit their ability to help their clients when they need it most.

Feeling Their Pain

Chris Hicks, president of full-service outsourcing firm Focus Point Solutions in Portland, Oregon, recently sent out a letter to his advisor clients after a doctor friend of his suggested that advisors today may be suffering from compassion fatigue. "It sounds like this might be the issue for many of you right now," he wrote. "I have never heard so much self doubt from so many advisors as I have over the last three weeks. Clients followed the planning process you outlined, did what you told them to do, and right now it feels like they will run out of money far sooner than expected. You may feel like you've failed your clients."

Hicks believes that advisors are feeling their clients' pain more today than in past bear markets because so many baby boomers are now at or near retirement. "Never has a group of advisors had to deal with such a large number of retired clients. Most of them are living off of what they're taking from their retirement savings. We cannot bear to tell clients to go back to work, or even cut their spending. That is a hard burden to bear."

The solution, of course, is for advisors to somehow distance themselves from the financial trauma their clients are facing. To find out more about professional disassociation and how to achieve it, I called my friend, publishing consultant Larry Chambers. Larry has a unique perspective on professional detachment, as a Special Forces combat veteran, as well as many years as a Merrill Lynch broker.

"When I was younger, I trained myself not to have feelings about what I was going through until it was over," he told me. "In battle, you have no choice, you just have to react to what's going on around you with a clear mind. You can be more objective and focused if you're disassociated." But even though he found a disciplined mindset for combat, when he became a broker Chambers found that he still had the same reaction to stressful situations that most advisors do. "When one of my clients lost money, I felt bad," he says. "And I'd avoid calling them. A lot of advisors feel what their clients are going through--sometimes too much."

Chambers has done a lot of research and writing about how people behave in high-stress situations. He found that when times are tough, people tend to move through the same menu of emotions: fear, then anxiety, followed by anger, frustration, depression, and, finally, guilt. "I know a lot of guys who left the [securities] business because they felt guilty after bear markets," he says. "The problem is that most people don't understand that each of these emotional responses is part of the process of dealing with stress." So you really shouldn't make any serious decisions until you've worked your way through all of them and come out on the other side.

You Only Have Control Over Yourself

According to Chambers, we can train ourselves to turn off our emotional attachments, at least temporarily, so we can make objective decisions. "We can't control what the market's going to do," he points out. "You can only control your reactions." Here are some steps he suggests will help advisors stay in the moment, and make good decisions even when they are feeling some pressure:

Compartmentalize. Don't let everything pile on you all at once. Focus on one task at a time. You don't want your mind to be thinking about what you just did or what you're going to do, only on what's in front of you.

Be proactive. Action creates energy; inactivity leads to depression and frustration. So focus on what needs to be done, and then do it. If you don't know what to do, then figuring out your next step is your first task.

Have real conversations. When you talk to your clients, or your staff, focus on what needs to be done, or what's going on, not on emotions. Yes, you want to let your clients vent their fears and frustrations, but don't buy into them. Gently help them to focus on what can be done now.

Have a plan B. "Detachment is power," says Chambers, "When you're detached you can control the situation." To become detached from the outcome, have a plan B, which is something that you would rather be doing than dealing with the current stressful situation. Then, at least mentally, you don't have to worry so much about what happening now, because you don't feel as dependent on the outcome.

Attaining a detached professional manner is the first step toward not getting emotionally overwhelmed when many of your clients are suffering. But with compassion fatigue at nearly epidemic levels among healthcare professionals--who have been trained to be detached--I agree with Chris Hicks that it's likely to be becoming a major problem for many advisors today. Here are some suggestions from various sources to keep your emotional balance so you can continue to give your clients the help they need now:

Find someone to talk to. "You need someone to talk about what you are going through. It is not your job to carry this burden enirely yourself--it will affect your personal life, and eventually your professional life," wrote Hicks. Medical support groups point out that it's probably best to find someone other than a family member to unburden your feelings on: you may feel compelled to hold back, or play the strong role for them. Better to find a close friend or a colleague to share your feelings for your clients and your anxieties.

It's not personal. Some clients will get angry. Other may even leave to look for another advisor. That's their way of working through what Chambers called the "process of stress." Remember that it's about them, not you. That way, instead of internalizing their behavior into your anger or guilt, you can be there for them, and help them through this difficult time. Acknowledge their feelings, let them know that you understand, and then use your professional detachment to help them become a little more detached themselves, so they can get beyond their emotions and make rational financial decisions: it's what they need to do now, too.

Realistically assess your performance. You had your client's assets allocated into diversified portfolios. You sought out the best mutual funds, separate accounts, stocks, bonds, and alternative investments, for their goals. You both agreed on their investment policy statement. You did everything you could do, short of putting them in all cash, which wouldn't have achieved their financial goals. But when all the markets go down at once, investors are going to take some losses. Despite what anyone says, nobody knows what the future holds. A quick look around the financial services industry reveals that many of the best mutual funds, hedge funds, and investment firms--with the brightest, most highly paid investment minds on the planet--had portfolios that took the same hit yours did, or worse. So get a grip, resist the impulse to get down on yourself, get back in the game.

Focus on what to do next. There's nothing you can do about the past, and as they say, hindsight is always 20/20. Your clients need you to help them figure out what to do now. No one has actually lost any money until they sell. Your house may be valued at half what it was two years ago, but if you don't sell it now, that "loss" is only on paper. The same is true of the stocks and bonds in mutual fund portfolios.

The real question is: How much faith do we have in the American/world economy? We're seeing 1987 prices on financial assets today. If you'd buy at these prices, then you should also hold at these prices. As far as I can see, we can either cash out and head for the hills, or sit tight and let our portfolios recover along with the world financial system. Sometimes doing nothing is the hardest thing, which is one of the main reasons people need financial advisors. So make sure you have your professional head in the right place, and help your clients to make the best of where we are right now.

Patricia Smith is a certified Compassion Fatigue Specialist with 20 years of training experience. As founder of the Compassion Fatigue Awareness Project© (www.compassionfatigue.org), the outreach division of Healthy Caregiving, LLC, she writes, speaks and facilities workshops nationwide in service of those who care for others. She has authored several books including To Weep for a Stranger: Compassion Fatigue in Caregiving, which is available at www.healthycaregiving.com or Amazon.com.