*Presentation:*Applying Behavioral Finance In Your Financial Planning Practice

*Presenter:*   
Michael E. Kitces, MSFS, MTAX, CFP®, CLU, ChFC, RHU, REBC, CASL is the Chief Financial Planning Nerd at Kitces.com, dedicated to advancing knowledge in financial planning and helping to make financial advisors better and more successful.

In addition, he is the Head of Planning Strategy at Focus Wealth Partners, the co-founder of the XY Planning Network, AdvicePay, New Planner Recruiting, fpPathfinder, and FA BeanCounters, the former Practitioner Editor of the Journal of Financial Planning, the host of the Financial Advisor Success podcast, and the publisher of the popular financial planning industry blog Nerd’s Eye View.

In 2010, Michael was recognized with one of the FPA’s “Heart of Financial Planning” awards for his dedication and work in advancing the profession.

*Session Description:*

An increasing volume of research is making clear what financial planners have long known – that clients do not always act in a purely rational manner. But it’s one thing to recognize that clients sometimes make irrational decisions, and another to really understand what drives those decisions and how to help clients avoid the most damaging mistakes. In this session, advisors will learn what the behavioral finance research has shown about our not-always-rational decision-making process, and how to consider making adjustments to the delivery of their financial planning services to help clients achieve more desirable outcomes through better communication and enhanced trust.

*Learning Objectives:*

- LO #1: Understand the process of how the brain makes decisions and the limitations of rational thinking on decision making.

- LO #2: Be able to apply behavioral finance concepts to how clients are engaged and communicated to as part of the financial planning process.

- LO #3: Illustrate how to reshape planning recommendations so that they are better communicated to clients in order to better facilitate client implementation.

*Level of Complexity:*

- Intermediate

*Topic Area(s):*

- General Principles of Financial Planning / Client Trust & Communication

*Hour(s) of CE:*

- 1 hour

*Outline:*

* Overview of behavioral finance and two-system thinking 10 minutes
* Understanding the planning implications of:
  + How Defaults Matter 4 minutes
  + Price Saliency 4 minutes
  + Writing Down Plan Commitments 4 minutes
  + Getting Commitment Incrementally 4 minutes
  + Faster Feedback for Faster Change 4 minutes
  + Interactivity For Decision-Making 4 minutes
  + Anchoring & Context 4 minutes
  + Social Proof 4 minutes
  + End Of History Illusion 4 minutes
  + People Relate To People 4 minutes
* Summary & Q&A 10 minutes

***Total: 60 minutes***