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ADVISERS' VOICES

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Need More Insight Into Clients? Create a Genogram.

As financial advisers, we often get so wrapped up in constructing and implementing structures to pass money on to the next generation that we forget about family dynamics and the generational patterns that exist. If we don't understand some of those dynamics, however, our best-crafted plans could fail.

Using a genogram to map a client's family history helps identify financial patterns and values over generations. A genogram looks like a family tree, but it also provides detailed information on family relationships.

With just a simple graphic picture that can be done on a legal pad or using software, we can see several generations of a family at a glance, as well as patterns related to education and careers, marriages and divorces, health issues and deaths. For example, a genogram can show us who the money earners are and alert us to patterns of financial risk related to disease and addiction. It's the best shorthand language for summarizing family information and describing the family patterns.

You can learn so much about a client in just the initial meeting, as you go about constructing a genogram. I had one client come in who was recently divorced after 30 years of marriage. By filling out a genogram, we saw how her own relationship with her ex-husband mirrored that of her parents who had also divorced after 30 years. In both marriages, the men had held the purse strings. She watched her mother struggle to manage on her own, and she didn't want to go through that. Conversations like that don't come about unless you're asking the kinds of questions that come up in the drafting of the genogram.

A genogram also helps identify unresolved conflicts in the family, which could lead to litigation once the wealth creator is gone. If we understand the conflicts and how the family resolves conflicts, we as advisers are better able to help.

Our job isn't to be therapists, but navigating through the construction of a genogram gives us that much more insight into our client relationships. We can determine whether a financial plan can be implemented, whether it is sustainable long term and whether the family can handle it.

Ms. Curtis is president and chief executive of the Wealth Legacy Institute in Denver.

Genograms can show us who the money earners are and alert us to patterns of financial risk.

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