



Too much of a good thing? What to do when clients are addicted to wealth

Making money can be as crippling a habit as drugs

By **Liz Skinner**

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Sam Polk was obsessed with money. He worked on Wall Street for eight years, and though by most standards, he earned a great deal of money, he always wanted more. He went from being "thrilled" with a \$40,000 bonus from **Bank of America Corp.** in his first year to being disappointed and angry just a few years later when he received a \$3.8 million bonus at a hedge fund. It wasn't

enough. He demanded nearly \$5 million more — and almost got it.

"Making more money was my first thought in the morning and the last at night," said Mr. Polk, 33.

In the end, he walked away from Wall Street and is now writing a memoir about what he feels was his addiction to wealth.

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While wealth addiction has no official diagnosis and isn't described in medical

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manuals, some therapists readily say that like drugs and alcohol, people can get dependent on making money.

Financial advisers, at some point in their career, are likely to come into contact with clients or prospects who suffer to some degree with a form of wealth addiction. Wealth addicts who solicit financial advisers are good clients in terms of the assets they bring, but are

difficult when it comes to actually taking advice, experts say.

Wealth addicts prioritize work and material items over relationships, and their sole focus on generating more money can lead to involvement in risky investments and even an inability to pass up profitable illegal activities, said Debra Kaplan, a therapist and author of "For Love and Money: Exploring Sexual and Financial Betrayal in Relationships" (2013, CreateSpace Independent Publishing Platform).

"An adviser is just another pawn in the wealth addict's constellation of what they need people to do for them to achieve their goals," Ms. Kaplan said. "When you confront him, such a client will probably either deflect or dismiss you."

ESCAPISM

Ms. Kaplan said money addiction is very much like drug or sex addiction in that those pursuits help the patient escape intolerable emotions or feelings. Often, wealth addiction results from a deep wounding of ego delivered as a child, she said. More men than women suffer from it, she said.

"The wealth addict strives to make a mark on the world and conquer all that he can in order to escape that which he can't tolerate, which is his feelings," she said. "He doesn't want to feel his feelings."

In an Op-Ed piece in The New York Times in January, Mr. Polk described what it was like the day he reported to work on Wall Street to begin a summer internship when he was 22: "When I walked onto that trading floor for the first time and saw the glowing flat-screen TVs, high-tech computer monitors and phone turrets with enough dials, knobs and buttons to make it seem like the cockpit of a fighter plane, I knew exactly what I wanted to do with the rest of my life. It looked like the traders were playing a video game inside a spaceship; if you won this video game, you became what I most wanted to be — rich."

Mr. Polk went on to describe how he got caught up in the lifestyle of Wall Street but eventually realized that he had to step away to have a meaningful life based on relationships rather than the pursuit of money. Yet he acknowledges that leaving was

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"incredibly difficult." Right before he left, he demanded an \$8 million bonus, more than twice as much as he had received.

"I wanted more money for exactly the same reason an alcoholic needs another drink: I was addicted," he wrote. His bosses actually said they would give him more money if he agreed to stay several more years.

Mr. Polk believes wealth addiction is not recognized for what it is because society supports it. "Look at the magazine covers in any newsstand, plastered with the faces of celebrities and CEOs; the superrich are our cultural gods," he wrote.

TELLTALE BEHAVIORS



Sam Polk

Mr. Polk, who left Wall Street three years ago and now pursues philanthropic projects with his wife in Los Angeles, said advisers should look for certain behaviors that suggest a wealth addiction problem.

For instance, one sign of addiction is always focusing on how much money someone expects to have in the future rather than what they have already. Someone who stays on at a job he or she complains about loudly just to add

another couple million to a \$20 million account is likely an addict, Mr. Polk said.

Mr. Polk said advisers should ask clients to name the three most important relationships in their lives and then help them figure out how much time they spend on each.

"I used to spend 99% on work, 1% on family and 0% on my health," he said. "There's a distortion between what you think you believe versus your actions."

Helping wealth addicts can involve recommending a therapist, as well as encouraging them to think less about the pursuit for more wealth or the amount of their wealth, and more about using it to improve their lives and relationships, experts said.

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looking to break the addiction.

Financial adviser Jeffrey Cutter of the Cutter Financial Group said five years ago a 43-year-old man came into his office suffering symptoms of wealth addiction.

In their first meeting, the client revealed he had always sought "more and more money" expecting it to bring him happiness. The client described his father as a "snake oil salesman" who was always onto the next best thing, said Mr. Cutter.

He had begun "flipping burgers" in his mid-teens, even though to outsiders it "looked like the family made a lot of money," the client told Mr. Cutter. At this young age, the client had set his mind on making a lot of money, and he did.

When he came to see Mr. Cutter, he had amassed \$2.5 million in savings, houses in Boston and Cape Cod and he drove a Porsche 911. He also was single and had two siblings who didn't speak to him.

He told Mr. Cutter he wanted to quit his company, which was poised to transfer him to China, but he was afraid of running out of money if he took a consulting job making less.

CHANGE YOUR WAYS

Mr. Cutter showed him how changes to his spending and to his investment approach would allow him to earn less and not run out of money. The client accepted the advice and, although it took about three months to get used to the lifestyle changes, today he has a \$150,000-a-year job and a girlfriend, Mr. Cutter said.

"I saw him go from a Type AAA personality with his shoulders slumped to a having a whole new view on life," Mr. Cutter said. "Once he had a strategy that wasn't just 'how much money can I make,'" he was more relaxed and felt safe."

Paul Nourigat, a financial adviser in Portland, Ore., said he understands how the ultracompetitive nature of the world pushes people to work obsessively and distort the priorities in their lives.

"You have to keep that obsession in check and not allow it to become part of the long-term DNA of your soul," he said.

Mr. Nourigat said he asks clients a lot of questions about their lives and correlates their stated priorities with their activities to determine if they are paying attention to the things they care about or just talking about those things.

Since walking away from Wall Street, Mr. Polk has married, and this month, his wife

gave birth to their first child.

He urges financial advisers to help wealth addicts look for a deeper meaning in their lives.

"Show them the good that money can do outside of an account," Mr. Polk said.



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