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Stay Ahead of Your Clients

Adviser Uncovers Client's Goal: Motherhood

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By ZACH ANCHORS

Some financial advisers believe in sticking to financial matters with their clients while others, like Justin Krane, take a thoroughly holistic approach.

Krane, president of Krane Financial Solutions in Los Angeles, is trained in life coaching and counseling as well as financial planning. He engages clients in conversations about their life circumstances, uncovering aspirations, challenges and desires that would never come up in a typical advisor-client discussion.

Last year, for instance, Krane met with a single woman in her mid-40s who wanted to roll over a 401(k) into an IRA. After a detailed discussion of her retirement plan options, Krane steered the conversation toward more personal aspects of her life.

"I asked her about who she was as a person and what she saw herself as good at," says Krane. The woman began to tell Krane about her volunteer work with children, and became visibly emotional. "I knew that I had struck a chord," he says, "and because I had created a safe environment for her she felt comfortable sharing her true life goal."

Ultimately, the client disclosed that she wanted to be a mother but had failed to conceive despite attempts at artificial insemination and in-vitro fertilization (IVF). There were financial concerns, as her health insurance would cover two rounds of IVF and she was worried about what would happen if a second round didn't work. Eventually she brought up the option of adoption, but told Krane that she was overwhelmed by the process and didn't know if it was within her financial means.

Krane believed the client was so caught up in the practicalities and logistics of becoming a mother that she wasn't fully committing to her goal. He encouraged her to focus on what she wanted, and then plan accordingly. "I said, "Once you make the decision that you're going to do this, then we'll figure out how," says Krane. "I asked her if she was in and she said, "Totally-I'm in."

The woman soon began pursuing an adoption while Krane aided with the more conventional aspects of the financial planning process. He helped her create a financial plan that took into account the adoption process--which costs about \$50,000--as well as the added expenses associated with raising a child, from day care to cribs and strollers.

Krane identified several ways his client could deal with the financial burden of adoption and child-rearing. This included a halt in contributions to her 401(k) plan for a few years.

"Some advisers would not agree with that approach, but at that point in her life I think it was more important for her to pursue her dream than to continue saving," says Krane.

He advised her to exercise her stock options and a restricted stock plan, and to begin saving \$1,000 a month of her salary. All of these steps together have so far generated around \$50,000 that can be applied to her goal. The woman's commitment also gave her the courage to ask for--and get--a promotion at work.

Krane's client may have less money, both now and during retirement, than if she didn't pursue her goal of motherhood, but he believes she's going to feel wealthier and more fulfilled.

"She is now in a position to be a single mother and she just wrote her first check for \$10,000 to an adoption lawyer," says Krane. "She is financially on track and is now taking control of her life."

Zach Anchors wrote this column for Dow Jones Newswires. More columns on advisers and their practices are available to [Dow Jones Adviser subscribers](#).



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