



## **Financial Advisor Magazine**

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### **Integrity Lost**

*Philosopher and author Jacob Needleman says we need to rethink our attitudes about money and what really makes us happy.*

By Mitch Anthony

Recently, while browsing through my library, I came across a book I had purchased some years back, set aside and completely forgotten about. The title was *Money and the Meaning of Life* by Jacob Needleman, a professor of philosophy at San Francisco State University. My rediscovery of this title seemed rather serendipitous, given the paradigm shift in money we have experienced in the last year.

I was deeply moved by what I read. Needleman offers deep and fecund insights into a number of topics in the realms of theology and philosophy, and his thoughts on money are prescient. We live in a time where we (and our clients) need a greater understanding of money and the forces around money that impact our lives in every way.

I have long maintained that the bridge between “means and meaning” is much shorter than we think.

I have been encouraging you, the practitioner, to make a conscious effort at developing your philosophical capacities for the purpose of meaningful client dialogues. At no time in history has there been such a need in the marketplace for sound philosophical discourse about money. Many people are experiencing confusion, fear, uncertainty and (to varying degrees) existential frustration over money matters. And I am not speaking only of clients here. We are all experiencing this together.

I asked Dr. Needleman if he would be willing to share some of his thoughts with the Financial Advisor audience, and he graciously gave his time for the following interview.

Anthony: You have said that money is a hard teacher but a very good teacher. What should we be learning right now?

Needleman: Money touches every aspect of life—so when something dramatic happens to our money, something dramatic is happening to our lives. We are asking ourselves: “What is wealth really, as opposed to being rich?” “What is really important to our life?”

I see some parallels between the San Francisco earthquake a few years back and the modern economic struggle. [In the earthquake], nature reminded us of who we were—and for a while, everyone was acting as a decent human being, having been confronted with the fragility of life.

The “money shock” confronted us with ourselves, who we are, what we are reaching for in our lives and what we are hiding from. It also reminded all of us just how gullible we are.

Anthony: Gullible?

Needleman: It goes deep into the human life. I’m reminded of some of the old sayings taught to me by my father, such as, “There’s no free lunch.” I think a lot of us actually believed someone was taking care of us, that there were regulators in the system watching over us, that capitalism had automatic checks and balances, and that there was a fundamental thread of moral pattern in it—but this belief quickly began to unravel. We were deceiving ourselves. My father also used to say, “We can’t be deceived unless we deceive ourselves.”

Anthony: Capitalism has shown some serious flaws in the last couple of years. What lessons should we be absorbing from the experience?

Needleman: The Founding Fathers had a keen eye for human faults. They understood that, if left to themselves, people would kill each other. Could we have a system where people had an interest in not killing each other? With a capitalistic system, people would be greedy for money and not for destroying people’s lives. That was the idea.

There was some sense of integrity involved as well: that it paid to be good; that it was worthwhile to have integrity; that it was better to be decent than not. This has slipped away. What we need to believe in now is people. We need to meet them, test them and work with those who have integrity. No system can make people honest. We can still find decent and smart people who can make this system what it should be. There are people smart enough not to be seduced by the system.

You don't call a person happy who has an unlimited supply of heroin. While he might be "happy," you don't call him happy. Likewise, the money was the opiate by which we made decisions. You've probably heard the old joke that whatever money can't buy, a lot of money can.

What we need is a healthy skepticism and a genuine spiritual idealism at the same time.

Anthony: In your writing, I see where you quote the medieval writer Maimonides, who said that all human ills come from wanting what we do not need. Is that how we got so deep into this economic mess?

Needleman: The whole financial structure of our country is based on wanting what we do not need. [In] the advent of the consumer culture—repackaging, resizing, disposal goods, advertising agencies, etc.—we are defined as consumers and produce more than we need. The country runs on increasing desire, not satisfaction.

Anthony: Is this a question of separating material needs from wants?

Needleman: We are often living beyond our needs, and that is OK up to a point. But we have crossed a line in the last ten to 15 years and bought into the idea that something new, something more, something exciting is going to make us happy. Houses kept getting bigger, and so did the idea that everybody should own a house.

Anthony: Is it fair to say that we are a culture that esteems ourselves through money? And if so, what happens in times of recession to our collective self-worth?

Needleman: There is something happening, but the overall current in America is that self-worth is rising. We have tragedies, but in the whole, there is a spirit of optimism rising: Roll up our sleeves and we'll do it. We have to ask ourselves

what democracy is and what role we must play. We have a responsibility here. We have a responsibility to change things now. Democracy is for thinking people, not for passive people. We need to listen to each other and think together.

Anthony: The financial advice industry is finding itself being drawn into a much more philosophical conversation about money these days: What do we believe in? What do we need? What has really changed in my life versus my portfolio? What do you see coming from all this?

Needleman: The financial office is a place for a philosophical function. Take this as a great boon to your career: to connect more personally and to grow in knowledge of your clients. This approach will make their job much more meaningful, which is the humanizing of the financial advice business. I reveal more to my accountant than to my psychiatrist. If their clients are heard, they will feel they have been served. Intelligence and empathy will be most valuable here.

If Dr. Needleman reveals more to his accountant than his psychiatrist, that should tell us something about the importance of money.

I hope you will agree with my view that he has much to offer not only to our culture but also to our profession, and I encourage you to read his book.

As advisors, the role you play seems to be constantly evolving and expanding--, as do the necessary skill sets for surviving and thriving. Unique times place unique demands upon us—among other things, for a greater understanding of this force called money and for more meaningful dialogues with our clients as they cross the bridge from “means to meaning” in their lives. This moment is the most opportune to forge meaningful human connections—to show your “humanness,” as Dr. Needleman put it—and to bring value that lasts a lifetime for each and every client. This is the very essence of what we call financial life planning.

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