

# **Attachment Theory Research and Concepts for Wealth Managers**

## **Part 2: Origins in Psychology, Current Research in Wealth Management**

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### **Foundations and Present Day Research on Attachment**

Financial advisors and wealth managers who are interested in understanding and working with attachment theory and research to enhance their understanding of relational, social, and emotional dynamics with their clients may be further interested in its history and development.

Attachment theory is primarily attributed to the work of the British psychiatrist and psychoanalyst John Bowlby, who used his psychoanalytic clinical work with children, adults and families toward developing a new approach after the World War II. The theory then was further developed through extensive research by the U.S. based psychoanalytic scholar Mary Ainsworth.

Psychoanalysis as a theory of mind, behavior, relationships, and self was developed by S. Freud at the turn of the 20th century. Among its key formulations was that early childhood experiences shape subsequent adult life predominately through internal models or patterns that are held unconsciously. Problems, concerns, and difficulties, experienced in childhood, were continually responded to unconsciously predominately via a series of defenses or coping strategies, which in adult life often became rigid and counter-productive (e.g., denial or repression of “negative” feelings turned into incapacity to deal with life challenges and transitions). Notably, Freud was keenly aware of ways that wealth and money were part of people’s relational lives as well as their defenses: one of his most famous patients, a wealthy Ukrainian young man from Odesa Segiy Pankiyv, often revealed his severe anxiety about life and

people through living as-if he was extremely poor and destitute, despite his enormous wealth (among many other troubling issues in his life including severe phobias). In Freud's analysis with young man, not only his extreme fears could be the focus of analysis but also his relationship to money and resources available to him. In short, psychoanalysis since Freud was a comprehensive relationally-focused theory that acknowledged that early life shapes patterns of how people see themselves and others, often carried in unconscious manner throughout life and revealed through signs of rigid coping styles, dreams, jokes, psychosomatic symptoms, and other signs. Since Freud psychoanalysis developed into many different approaches and orientations, including contemporary psychoanalytic or psychodynamic psychotherapy as well as psychoanalysis (i.e., in-depth long term treatment).

Therefore, from Freud to contemporary formulations of psychodynamic relational theory and research emphasized early childhood development as having long standing influence on human lives via the quality and pattern of relationships with caregivers and others. John Bowlby, a well known child and adult London-based psychoanalytic psychiatrist, conducted numerous studies and direct clinical observations with British children, adolescents and adults. In his work, carried out following the World War II and into 1980s, Bowlby discovered that mental and behavioral problems among children also were related to their problems in forming meaningful relationships and regulating their intense emotions. The origin of these challenges, Bowlby found, occurred among children of all socioeconomic classes and was typically directly related to poor quality of early caregiving or to the extensive separations from parents. Moreover, in his observations and systematic studies Bowlby began to observe that early patterns of problematic,

inconsistent, absent, or abusive early relationships with key caregivers had an impact “from the cradle to the grave.”

Like all significant theories, attachment theory was taken up by other scholars and clinicians toward further elaboration of concepts and verification of ideas. Among the most significant early researchers of attachment patterns was Canadian born psychiatrist Mary Ainsworth. As a scientist she became famous for investigating how infants and mothers interacted in her famous “Strange Situation” experiments at Johns Hopkins University (Baltimore, MD).

Ainsworth’s ideas were developed not only after her training with Bowlby but also her own observations of mother-infant pairs in Uganda (Africa), where Ainsworth was stationed for over two years as part of the World War II Canadian Women’s Army Corps. Her cross-cultural observations led her to recognize that attachment patterns, although expressed culturally differently, had universal consistencies in terms of how caregivers’ responses to children influenced their child’s behavior. She further determined that although a single responsible primary caregiver (i.e., typically the mother) was especially important for development of child’s attachment, children also could develop attachment with multiple caregivers and in diverse ways (e.g., fathers, grandparents, siblings, nannies, nurses, teachers). Lastly, Ainsworth especially found that it was times of distress or stress that were most influential on development of healthy attachment relationships rather than during times of ease, “positivity,” and contentment.

After becoming one of the leading human development scholars, Ainsworth developed a set of direct observational studies, based both at a university laboratory and directly at family homes, that focused on patterns of relationships between primary caregivers and their small

children. Her renown “Strange Situation” experiments specifically examined how mother’s leaving and returning to an infant or a very young child while a “strange” adult was also present, and especially mother’s response to child’s emotional or physical reactions (specifically distress) showed a predictable pattern of subsequent behavior among observed children when the mother returned. In her study, securely attached children expressed distress at mother’s departure but were welcoming of her return and soothed by her presence as she offered emotional and physical comfort. In contrast, insecurely attached children appeared either persistently inconsolably distressed at both leaving and returning of the mother, or were indifferent to her absence or presence. Problems she observed became entrenched: Ainsworth (1967) described a “vicious cycle” in which “the baby’s fussy demands exasperated the mother, who then overtly or covertly rejected the baby, who in turn responded to the rejection by anxiety and by increasing his demands.”

In another set of research studies Ainsworth’s colleague Mary Main discovered that one of the another common problematic pattern, observed among infants-mother dyads, was marked by an avoidant attachment. It occurred when mothers “mocked their infants, or spoke sarcastically to or about them; some stared them down... expressed irritation... anger [at normal infant behaviors].” In such dyads children appeared to be indifferent or hostile to all other relationships, neither showing distress nor responding to others’ (e.g., they became withdrawn). Among key contributions of Ainsworth, Main and their colleagues since 1960s was in popularizing new research-based parenting and educational information for adults, which entered numerous spheres including new parenting strategy books, pediatrician trainings, educational ideas, and even popular TV shows for children (e.g., Sesame Street, Mr. Rogers’ Neighborhood).

Their contributions became cornerstones of literature on how to consistently and compassionately respond to infants' and child's language of needs and distress, forging strong relational bonds and life-long emotional-relational health.

Although important for all the parents, grandparents and caregivers reading this contribution, most financial advisors and wealth managers can recognize thus far the particular patterns of relating among adults they work with. Most adults, like most children, act rather similar during average non-stressful or happy times in their lives. The differences become far more profound during times of transitions, stress or crisis, whether regular human life stressors (e.g., births, retirements, losses) or external emergencies (e.g., disasters, political instability, severe market fluctuations). When individuals become overly anxious, fearful, distrustful of others and even clingy or when they entirely withdraw from all others in response to stress often reveals their attachment styles. As discussed in Introductory paper, such attachment styles can be understood and engaged with whereas minimizing or ignoring them is likely to create numerous problems.

Since Bowlby, numerous scholars have carried out research on attachment, resulting in developing many attachment scales or assessment measures that have been used in research and applied clinical work. Among the most remarkable among these studies, and in fact all psychology studies, is the famed Minnesota Longitudinal Study of Risk and Adaptation, which was initiated by scientists Stroufe and Egeland in 1970s and continues to today. In short, their extensive longitudinal research have proved attachment theory hypotheses, found in other observations and studies, especially in regard to importance of working through conflicts and challenges together with children. According to Stroufe (1996),

resolving conflicts is an important building block of the child's emerging sense of competence at problem solving... it also deepens the child's trust in the caregiving relationship. Such prototypical conflict experiences within the security of the caregiving relationship can also represent a model for later close relationships, providing an abiding confidence that relationships may be sustained despite strife, which allows person to risk conflict in relationships, and, ultimately, to even see its value.

Thus, the intrapersonal stability is typically acquired during childhood when child's distress or conflicts (e.g., "acting out" or their "negative" emotions) are responded to in consistent, relational, and empathic ways. According to longitudinal (now over 50 years in process) research, such caregiver response translates into healthy stable social-emotional functioning. Their research also confirmed what Bowlby and Ainsworth emphasized: the quality of caregiving is not defined by invasive and overwhelming caregiving presence but rather kind bounded relationships must make space in which not just the child but the caregiver is acknowledged for their own feelings and actions. In short, caregiving presence is not manifest through invasive demanding manipulations of children to behave or feel in particular ways but by consistent and caring being-with children as they experience inevitable life challenges and sorrows.

When applied to financial advising and wealth management, it is important to stress that relationships between advisors and their clients should not be marked by invasiveness, overdependency, or manipulations on the part of either party (especially during more challenging times of life and work) but that trusting relationships can be marked by consistent, attuned, and caring responses such as discussed by numerous writers on best advising and wealth management work. Respect for boundaries is always important, and relationships that violate

boundaries in fact show a lack of understanding or trust in others. Working toward solid working relationships of trust are most likely to create lasting successful professional associations “through the thick and thin” of life.

Lastly, as noted above contemporary attachment research has focused on experiences in a variety of close relationships beyond parent-child, applying it to many topics and disciplines (Mikulincer & Shaver, 2016). Whether academic performance, career success, or community involvement, attachment shows to be significant in differentiating how people function. All of the research showed that insecure attachment patterns have negative impacts on multiple diverse areas of life. Specifically, ample empirical evidence showed that adults with attachment avoidance styles consistently experience apprehensions about closeness with others (typically distrusting others), are reluctant to depend on others for any of their needs, and are unwilling to appropriately self-disclose. These findings are especially important for professions, such as financial advising and wealth management, that rely on solid relational rapport to provide best services. Additionally, the ability to self-disclose is a vital feature for an open and transparent financial advising relationship. Financial advisors work with money, which is historically taboo, and to make inroads to guide clients through financial cycles requires transparency on the part of the client.

In addition, research indicated that adults with attachment anxiety typically display continual volatile concerns about being left or abandoned, have excessive desire to be reassured by others, and repeatedly misinterpret behavior of others as being distant or unavailable (i.e., never enough). In financial advising or wealth management such individuals may display these same characteristics: they may call a lot for reassurances in times when they feel anxious; they

may fear that people are out to get them or leave them; or they may misinterpret behavior of their advisors or managers as being distant, unavailable or even judging of them. Financial advisors who are familiar with attachment styles, and are capable of working in boundaries ways with anxiously attached adults, can deal with such conflicts more efficiently, and with less emotional exhaustion.

Securely attached adults are consistently shown as having fulfilling relationships to self and others (including ease with others and with being alone), as having feelings of trust in others, and as accurately assessing difficult relationships. In regard to their emotional functioning, securely attached adults display competence with managing a wide range of affective responses and acceptance of these in others, including the capacity to feel so-termed negative emotions such as sorrow, anger, guilt or regret, when warranted. The research on attachment style malleability also revealed that relationally targeted approaches (e.g., psychodynamically based psychotherapy) can be successful in assessing, mitigating, and modifying insecure attachment configurations. The following sections will discuss research specific to attachment and wealth management.

Take away points:

- Most human endeavors require affirmative human relationships and strong aptitude to deal with emotions. Certainly, financial advising and wealth management is based on solid relationships and capacities (on both parties) to manage a range of human emotions (not just “positive” feelings).
- Attachment is proven to have impact long term and over generations; assessing, understanding, and working with impact of attachment with not just individual



clients but with generations related to clients may be essential to long term successful financial advising and wealth management.

- Conflict and crises are common parts of life – showing up with trust, relational openness, consistency, and attunement by BOTH advisors/managers and clients may have long term benefits.
- Having and developing trusting securely-attached relationships is the opposite of invasive, boundary-less, and over-involved dynamics.
- “Strange Situations” are part of every human life and working with humans: planning for transitions, challenges, crises as well as having contingency plans to cooperate and collaborate with other professionals (especially relationally trained therapists) may help support individuals and families through inevitable times of crises.

### **Current Research and Concepts for Wealth Managers**

As noted above, psychoanalytic and psychodynamic theories which originated in psychology have been further developed outside of psychology, including in organizational development, business management, and business coaching spheres (Gabriel, 1999; Kets de Vries, 2020; Muller et al., 2020; Obholzer, 2020). Attachment theory, derived from psychoanalysis and contemporary psychodynamic scholarship, offers varied rich contributions to financial advising and wealth management. We propose that financial advisors can learn significant insights from attachment theory that can enhance retention, win new clients, and manage conflict more efficiently.

First, how clients relate to their advisors is significant to financial advisors and wealth managers as well as other professionals working with individuals and families (e.g., family offices). As noted above, most writings on advising and management encourages professionals to develop skills beyond financial technical ones toward social, relational, and emotional. Being the “Most Trusted Advisor” is valued and valuable, and requires human relational capabilities that are not well represented by traditional technical training.

Brown and Brown (2008) found a definitive relationship between investors’ attachment styles and their loyalty to their financial advisors, stressing that attachment theory is among the most valuable in helping advisors understand and navigate “frustrating and ineffective advisor/client relationships” (p. 232). In another recent study Spies and colleagues (2022), which included a sample of 1230 wealth management customers, attachment styles were empirically confirmed to have direct effect on customer retention: the more securely attached the customer was, the more likely they were to maintain a committed relationship with their wealth advisor through all iterations of financial and wealth management. Their research also revealed that attachment styles have an indirect or oblique effects on customers’ sense of overall satisfaction and trust in their financial advisors or managers, whereas insecurely attached individuals consistently claimed to be dissatisfied with and mistrustful of their managers. Trusted financial advisors, considered central in their study, were perceived as trustworthy, kind, reliable, and predictable. In their study, secure attachment was directly linked to trusting relationships with advisors, in which individuals could have faith in and be vulnerable with their advisors not just during times of ease but through challenging times.

Insecurely attached investors or customers have been found to react in distinct and predictable ways, which advisors can recognize. Among their findings, insecurely attached individuals, especially in times of crisis, transition or challenge, typically feel abandoned by their advisors, have difficulty trusting them, experience them as emotionally or relationally fickle, or perceive them as overly-controlling. In conclusion, Spies and colleagues' stress the crucial role of the active assessment of attachment styles in creating successful financial firms, family offices, or wealth management services.

Similarly, Santos (2021), in work on private wealth management with high net worth families, stressed that practices and literature on such management practices over-emphasizes skills for dealing with financial instruments and investments rather than recognizing that human factors play key roles in these practices. In Santos' view, families often express the need for genuine kinship (i.e., family) type involvement with their financial managers, requiring humanized relational approach that acknowledges relational dynamics. Distant behavioristic methods (e.g., "please remain rational about this" or over-emphasizing facts and models) may backfire in such relationships because they will be perceived as distant, judging, and emotionally misattuned. As Strike (2013) proposed, best advisors are those who manage via subtle and emotionally attuned strategies, which results in their becoming the "Most Trusted Advisors." Much earlier Borke, Jaffe, and colleagues (1996) emphasized that advising is far less than a role but far more a relational process. Attachment theory and research provide ample information about using information about styles of relating in creating lasting, meaningful and trusting professional relationships.

Takeaway points:

- Research with large samples has shown that attachment styles have significant direct and indirect influence on financial advising and wealth management processes. Problems and successes with retention can be significantly influenced by attachment style.
- Researchers on these topics stress that it is important for advisors and managers to learn more about attachment and its variations and apply this knowledge in assessing and managing their professional client relationships, especially in times of transitions or crises.
- The Most Trusted Advisors are professionals who value learning more about their own capacity to build strong relationships but also those who are able to pay attention to ways that others show strength or limitations in their attachment capacities.
- Broader knowledge from psychoanalysis, which is vibrant in business coaching and consulting worldwide, may be important to include in financial advising and wealth management (versus traditional methods of behavior and thought control found in behavioristically and cognitively oriented strategies).
- In short, attachment theory research in wealth management broadly supports the notion that wealth advisors who create the stickiest effective working relationships with clients are those who build trust well. Additionally, clients who have capacity for trust have the easiest time trusting their advisors, and those who struggle with trust need specialized understanding from advisors.

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