BULLISH THINKING

The Advisor's Guide to Surviving and Thriving on **Wall Street**

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THE ADVISOR'S GUIDE TO SURVIVING AND THRIVING ON WALL STREET

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To the memory of my grandparents, Elizabeth and Adolph Mezei, who gave me the gift of a college education, and fostered the development of my strong work ethic and passion for life.—Alden Cass

To our families, friends, and colleagues who inspired us to take this rewarding journey, and who continue to remind us of what is meaningful at the end of our long days.—Brian F. Shaw, Sydney LeBlanc

Preface

Why We Wrote This Book

The daily demands you face as a financial advisor are exhausting. You are under extreme pressure to build a profitable practice, and at the same time comply with regulations that increasingly consume your precious time. The challenge to produce is unrelenting; the responsibility to your clients is uncompromising. You wear too many hats; among them are asset management expert, client service rep, technology specialist, stock analyst, PR and marketing manager, prospecting whiz, portfolio manager, teammate, psychologist, mentor, communicator, friend, confidant, time management guru, self-motivator, student, and others.

We believe *Bullish Thinking* is a book that will help you navigate through the stressful waters of your daily business. Whether you are a transaction-based broker or a fee-based financial advisor, stress looks, sounds, and feels the same—painful and potentially destructive on a personal and professional level. But what triggers the various stressors that can dangerously affect you? Among countless things that surface in your job, dealing with difficult clients, unsupportive managers, differentiating yourself from competition, and compliance with legal issues are just a few of the hard issues on your desk.

Bullish Thinking will serve as a personal resource to help you avoid and alleviate emotional distress. You will read about the problems, and learn the solutions that will help you return to the top of your game. The hard-hitting true stories illustrate the potential threats to your mental health, identify your problems, and outline the process of getting help. The in-depth case studies and real-life examples exemplify the challenges you face, and how they can lead to emotional breakdowns. We identify skills and strategies, including Bullish Thinking exercises, which teach mastery over the volatility and unpredictability of your job. This book also shows you how to manage and balance your personal life while working in this ever-changing industry.

You will discover immediate solutions for short- and long-term help. We, authors Dr. Brian F. Shaw, one of the developers of Cognitive-Behavioral Therapy, and Dr. Alden Cass, specialize in working with financial services executives suffering from job burnout and *behavioral paralysis*, or depression. We offer a variety of ways for individuals to proactively reduce their job stress through proven techniques, including the Bullish Thinking strategies designed by Dr. Cass, which are an important theme throughout the book.

It also underscores the importance of emotional discipline in the face of potential indulgences, emotional highs, and crushing defeats. Bullish Thinking is an easy, practical, and palatable way of teaching the cognitive therapy skills introduced to the world of psychology by Dr. Brian Shaw. Dr. Cass pioneered research on brokers' and traders' behavior, and counsels those in distress.

Who Should Read This Book

Financial advisors, stockbrokers, investment bankers, traders, financial planners, wealth managers, investment management consultants, wholesalers, and others, will all benefit from this book. Bank brokers, insurance planners, and professionals working at financial supermarkets, who are in emotional distress on the job, will also be helped by the book and its Bullish Thinking strategies and case study solutions. We also believe that spouses, partners, and significant others of financial professionals will benefit, as the book will help open dialogues with their loved ones working in the industry.

The bottom line is: If emotional distress is not addressed, it is entirely possible there may be adverse or harmful consequences to you in your professional and personal life. Here's a case in point: Our research[*] indicates that "stockbrokers are not using effective coping skills for the purpose of alleviating their work-related stress, and consequently, are developing the debilitating symptoms of burnout, anxiety, and depression. It is our contention that negative personal outcomes will be associated with these mental health concerns, and will consequently lead to negative organizational outcomes such as absenteeism and a decreased quality of life for employees and their families. Also, if the early warning signs of burnout, depression, and anxiety continue to remain unnoticed by stockbrokers as well as their employers, their overall productivity and commitment to the organization may wane over time, leading to an increase in turnover. This may cost brokerage houses additional money for training replacement brokers who will more than likely suffer the same fate as their predecessors."

That being said, we believe our research, and our ongoing experience of working with financial advisors (and their managers), lends credence to the importance of preventing mental and physical illness from infringing upon the lives of these individuals.

The ultimate goal of this book is to generate awareness and a better understanding of clinical depression (feeling depressed is not something to feel shame about), as well as help you better understand your personal battles to better combat the emotional demons that may be standing between you and a fulfilled life and a thriving business.

Bullish Thinking will help you achieve your own personal nirvana—a place of contentment, financial success, and emotional stability.

Alden Cass

Brian F. Shaw
Sydney LeBlanc

[*]Alden Cass, John Lewis, Ed Simco, “Casualties of Wall Street: An Assessment of the Walking Wounded,” Catalyst Strategies Group, competitive-streak.com/casualties.asp.

Acknowledgments

A labor of love, a team of dedicated professionals breathed life into this book and watched over it until it became a reality. We would like to thank this group of individuals for their tireless work and exceptional guidance throughout the entire process. Special thanks go to Marnie Shaw, a dedicated rookie in this business, for her wisdom and guidance. Thank you to Miriam and Renny Cass for teaching the values of persistence, courage, and love; and to Joe Santoro and Al Bergman for taking a chance on our project. We would also like to thank Diane Bartoli of Artist Literary Group and Lorin Rees of the Helen Rees Agency for their initial input and feedback when the book was still a concept. Our deep appreciation goes out to our team at John Wiley & Sons: Editorial Director Pamela van Giessen, for believing in the project, Associate Editor Jennifer MacDonald, Editorial Assistant Kate Wood, and Senior Production Editor Mary Daniello, for their excellent direction and handling of our manuscripts and for making our project a reality. Thanks to Mary Welsch for hours of transcribing and proofreading, making our chapters flow smoothly. Thank you Gil, Ernie, Montgomery, and Pookie for the silent comfort you brought to us.

Our most important thanks goes to our readers, the hard-working advisors and managers, who face each day not knowing which stresses and problems will meet them head on, but who, nonetheless, accept the challenges with fierce determination. We hope you find this book meaningful and that it will help you through periods of emotional distress, guiding you back to better productivity, more happiness, and a clear balance in your personal and professional life.

Thank you for allowing us to know you, work with you, and help you.

A. C.

B. F. S.
S. L.

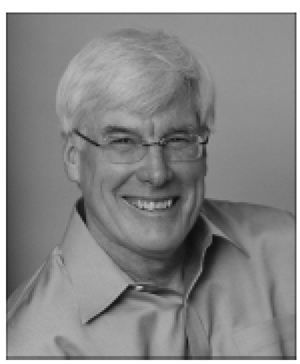
About the Authors

Dr. Alden Cass is a licensed clinical psychologist and performance enhancement coach in New York City. He is the President of Catalyst Strategies Group, a team of psychologists and performance coaches specializing in coaching financial services executives to become more productive and disciplined during market downturns and other stressful times. He works with both individual advisors and teams to overcome their skill deficits and to hone their strengths. He is a consultant for branch managers on Wall Street to help improve upon the performance and problematic behaviors of the branches' top producers. Dr. Cass conducted the nation's first clinical investigation in 25 years on the mental health of Wall Street stockbrokers. His astonishing findings were presented at both international and national research conventions and have received a tremendous amount of attention from the business and financial trade media.

Dr. Cass teamed up with the Securities Industry Association after the World Trade Center attacks of September 11, 2001, to create a symposium that targeted the coping skills of Wall Street executives. He presented his Bullish Thinking paradigm to executives to help them deal with depression, burnout, and grief. He later developed "Bullish Thinking and Subtle Sales Training" workshops presented at the Investment Management Consultant Association (IMCA), the Money Management Institute (MMI), the London Bullion Market Association convention, and the Wall Street Branch Managers Meeting, held at the Federal Reserve Bank in New York City.

Dr. Cass's coaching and profiling services are currently being used by various mutual funds as a value-added service that is delivered to the top broker-dealers nationwide. Dr. Cass sits on the board of the National Association of Investment Professionals and is a Research Committee member of the Financial Services Policy Institute. He is on the advisory board for a not-for-profit charity called FM World Charities, which focuses on preventative medicine initiatives for those less fortunate. He writes two weekly columns for TheStreet.com, a monthly Internet column called "The Mental Edge" for *Trader Monthly*, and a bimonthly column for *On Wall Street* magazine.

In his practice, he has spearheaded a campaign to support the wives and significant others of high-powered executives through his new weekly group, "The Wall Street Wives Club," and has developed a "Divorced Male Executive Support Group." He has also initiated a new research project focusing on empowering female investors while helping advisors understand how to cater to this existing target population.



Dr. Brian F. Shaw is one of the originators of applied cognitive-behavioral psychology for clinical practice, the performance of elite athletes, creativity, health promotion, and coping with significant illness. He is an expert on how the mind works, how it gets derailed, and how to get it back on track. More important, he understands how people refresh their thinking to gain new perspectives on their life, their world, and their future.

He is the principal of BFS Consulting, a sports and entertainment consulting firm based in Toronto, Canada. As one of the developers of Cognitive-Behavioral Therapy (CBT), a psychological treatment for depression, anxiety, and substance abuse, Dr. Shaw has adapted this technology to help those suffering from serious medical illness (cancer, heart disease, eating disorders, pain syndromes, and transplantation). Over the past 15 years he has taken this research and adapted it to the everyday world, where people strive for health and peace of mind.

Dr. Shaw has developed a cognitive-behavioral approach to help individuals in the financial sector manage the demands of a career in their high-stress industry. He has counseled brokers, securities litigators, traders, and others on Wall Street for more than 20 years.

He developed, with Bruce Ferguson at the Hospital for Sick Children in Toronto, Canada, a province-wide initiative to help children and youth with mental health and addiction. This work has affected mental health, juvenile justice, and educational approaches to children and youth.

In sports, Dr. Shaw is well known for his work as the co-director of the NHL/NHLPA Substance Abuse and Behavioral Health Program. He also co-directs the behavioral health program for Major League Soccer (MLS/MLSPA). He is responsible for the educational program for all NHL and MLS players. Dr. Shaw is the psychologist for the Toronto Blue Jays and several other professional and Olympic-level athletes. He was recently a featured speaker at the player development forum hosted by the NBA, NFL, and the NHL on the topic “Managing Anxiety in Athletes” and at the 2007 seminar hosted by the Los Angeles Police Department (LAPD) on “Teen Addiction.”

Scientifically, Dr. Shaw is one of the 50 highest-impact authors in psychology. He is the author, with Paul Ritvo and Jane Irvine, of *Addiction and Recovery for Dummies* (Wiley, 2004) and *Cognitive Therapy of Depression* (Guilford Press, 1979, with Aaron Beck, John Rush, and Gary Emery).

He is a professor at the University of Toronto. Dr. Shaw received his Ph.D. in Clinical Psychology at the University of Western Ontario in 1975 following a B.S. degree at the University of Toronto.

Sydney LeBlanc is a 30-year financial services industry veteran, journalist, author, and publisher. She was the co-founder and editor-in-chief of *Registered Representative* magazine, the nation’s first trade magazine for stockbrokers in 1976. Later, as editor-in-chief, she led the development of *Securities Industry Management* magazine, the first publication for branch managers.

Sydney helped launch and promote the Institute for Certified Investment Management Consultants (now IMCA) in the mid-1980s. A writer for such industry organizations as the Money Management Institute, International Association of Advisors in Philanthropy, and Success Continuing Education, LLC, she is also a writing coach and marketing consultant for industry trainers, financial advisors, broker-dealers, and money managers. Sydney is the author of

Legacy: The History of Separately Managed Accounts; Wealth Management Teams; Independent Business Ownership; and the co-author of *Streetwise Investor; The Wealth Factor, The World of Money Management; Happily Ever After; Stop and Think*; and *PR Savvy for the Financial Professional*.

She is the recipient of several awards for her work, including the Ozzie Award for Excellence in Design, the *FOLIO:* Magazine Editorial Excellence Award for *Securities Industry Management* magazine, the 2007 Managed Accounts Pioneer award from the Money Management Institute, and First Place for Signed Editorial from the American Society of Business Press Editors. Her articles have appeared in *On Wall Street, Broker/Dealer, Financial Advisor, Global Investing*, and *Research* magazines, among others.

Co-director of Fisher LeBlanc Group, a financial publishing, marketing, and communications firm, she also is the managed accounts editor for *Financial Advisor* magazine and consulting editor for *Senior Consultant News Journal*. Sydney is an officer and board member of the Washington, D.C.–based Wealth Advisor Institute and is actively involved on the Marketing and Communications committee. She is also on the board of the National Association of Investment Professionals and is a Research Committee member of the Financial Services Policy Institute.

Introduction

You live with constant uncertainty. You ride the wild, frenetic, and unpredictable market fluctuations every day and the pressure for you to master the ups and downs is beyond comprehension. You are the first in the line of fire, having to answer to disgruntled clients when money is lost or not growing fast enough. Life in the office becomes all about capturing more assets, marketing yourself, organizing seminars, asking for referrals, keeping up to date on regulations, staying in compliance, pleasing your branch manager, learning new products, and staying current with continuing education requirements. All that and your registered assistant just quit because she said you were becoming impossible to work with.

To compensate for the many things out of your control, you inevitably will try to assert control over one of the few things you *can* dominate—your emotions. Having control over your feelings is the only aspect of your life you may feel capable of predicting, right? And you *certainly* don't want your emotions or feelings to show (as evidenced by the predominantly male culture of Wall Street, which makes it almost impossible for an advisor to reveal feelings). Showing fear, anxiety, sadness, or uncertainty would be to render yourself powerless; you would appear incompetent or weak; you would lose the respect of your colleagues and your manager. Right? But it is this constant pressure to control and conceal emotions, coupled with the unyielding stresses of the profession that promotes depersonalization (emotional numbing), alcohol and drug use, and promiscuity —all behaviors that serve as an escape from the reality of the daily challenges. These attempts to cope or distract yourself are detrimental to your physical health and work performance because they mask warning signs of burnout, anxiety, and depression. And, you may not even realize you are suffering until you sober up or come out from under the fog and your career is on the line. The damage to your job, physical health, or family often occurs before you realize you need to seek help.

Do you find you are asking yourself these types of questions:

> Why am I flying off the handle at every turn? What is making me so intolerant at work, at home? Why do I feel the need to escape, or anesthetize myself? How many drinks constitute a drinking problem? How come it takes an hour of tossing and turning before I can fall asleep? How come I can never sit still in a meeting? Should I see a doctor, get some medication? Should I quit or change jobs? Why do I feel like a failure even though I have a better-than-average income?

If you are struggling with these types of issues, you are not alone. The results of the study, "Casualties of Wall Street: An Assessment of the Walking Wounded" (developed and presented by Dr. Alden Cass as the first research of its kind about Wall Street brokers), revealed for the first time a world of suffering among brokers and advisors. Twenty-three percent of the brokers surveyed were diagnosed with clinical depression and 38 percent had mild-to-moderate symptoms. This finding is alarming because the incidence of clinical depression in males in the United States is approximately only 8 percent, according to National Institute of Mental Health statistics. A majority of the sample experienced significant levels of anxiety, emotional exhaustion, and burnout. Furthermore, brokers reported abusing alcohol and other substances such as cocaine, amphetamines, marijuana, Ritalin, and Ecstasy. They also used sex as well as promiscuity, to cope with their unrelenting stress.

The widely held traditional belief about successful brokers and advisors used to be “You will feel good if you make money.” But the study showed that belief to be incorrect. In fact, the opposite was true! Successful brokers were the most mentally, or emotionally, disturbed. They were the most depressed, most burnt-out, and the most exhausted. And the highest earners used the most drugs and experienced “depersonalization.” “Casualties of Wall Street” revealed a generation of brokers trading their mental health for money and affluence.

The study discovered that the highest earners, the most successful brokers, are the most troubled. But they’re making money, right? Not for long. In an eight-month follow-up survey, nearly 25 percent of the brokers who made the most money were no longer employed by their firms. They had been fired, changed jobs, or just burned out and dropped off the radar screen. While they might have been riding a successful wave, their earning potential for the long haul was hampered by their need to distance themselves from experiencing painful internal emotions such as disgust, guilt, anger, remorse, shame, and inferiority.

As you read through the pages of this book, you and other courageous brokers needing help will quickly identify with colleagues who may share the same fears, thoughts, problems, and insecurities. You will discover you may need help on a professional level, and doing so is no longer a stigma. Demystifying the taboos of mental and emotional health will help you (and others) get over the hurdles keeping you from achieving emotional health and peace of mind.

Obviously, this is not a book about the glory of making money. Nor is it a book about the technical or mechanical strategies involved in investing. It’s not about motivation, selling, prospecting, or secrets of creative visualization. *Bullish Thinking: The Advisor’s Guide to Surviving and*

Thriving on Wall Street teaches brokers and advisors that they don't have to remain passive participants in their stressful and volatile environments. You can learn to recognize the warning signals associated with under-the-radar psychological stressors that manifest as symptoms of job burnout and depression. We introduce practical and proactive Bullish Thinking strategies that Dr. Alden Cass uses in clinical practice with brokers and advisors, as well as those techniques pioneered by Dr. Brian F. Shaw in cognitive-behavioral therapy. Bullish Thinking solutions will help you manage the daily volatility and stress of work without making you feel like you're a patient on a psychiatrist's couch.

It is our goal—no, it is our responsibility—to teach you the warning signals and dangers of depression, to uncover the myths, to offer practical solutions, and to lead you back to a healthful emotional and physical state of mind. And we want to do this in a nonthreatening, empathic, and positive manner. So, we are offering you positive ways of coping with the numerous challenges you and your fellow advisors face on the job; ways that allow changes in patterns of thinking and behaving; ways that provide relief, which will result in the achievement of a healthy mindset. Our wish is to encourage advisors like yourself to seek the coaching or counseling you may need to improve your lives and businesses and those who might not otherwise come forward to ask for help. The payback for everyone is the industry will see that psychology and business can coexist.

We are dedicated to the mission of countering the misunderstanding and stigmas that we observe every day in the financial services industry. These are the conditions that we label as mental illness and addiction, but that we know even better as human tragedy. We are committed to preventing the mental and physical casualties proliferating in the industry today.