



ADVISING CLIENTS

5 ways to ease clients' recession fears

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Fear promotes more fear. In the economic world, it can lead to market disruption. Recently, threats of a global coronavirus pandemic have led to pronounced market volatility, adding to swings that began several months prior.

While you can't control the market, you can help your clients get through economic downturns. There are several ways to ease your clients' fears. While they won't cure substantive underlying provocations (such as coronavirus), they can provide valuable emotional and economic stability.

1. Provide context: Recession fears are not new, said 16-year MDRT member **William J. Rossi, CFP, ChFC**, of Gainesville, Florida. "One thing to remind your clients: People have been talking about a recession for three to four years." The most recent economic indicators are solid, he said.

2. Focus on the long term: Focusing too closely on daily market swings can provoke greater fear, Rossi said. As such, he uses a marathon analogy to help them gain a broader view of performance. "The economy is a long race. You don't sprint; you go slow and steady. That helps clients reassess their fears."

3. Filter out the noise: Today's digital devices provide a nonstop procession of pundits, whose collective voices escalate recession fears. "It's coming at you everywhere and all the time," said 30-year MDRT member **Thomas Levasseur, CLU**, of Dover, New Hampshire. "And any little thing can get blown out of proportion and usually does." So, unplug when you can, and take a break from the monotony.

4. Communicate clearly and regularly: Providing regular communications with your clients is essential for educating them about market conditions. For Rossi, these take place periodically throughout the year, "not just at an annual meeting." Additionally, he sends video emails that address current events and portfolio changes.

5. Diversify: Recognizing that market performance is the result of collective actions, Levasseur promotes a diversified portfolio mix. "A well-balanced portfolio designed to cover all contingencies will also help manage client expectations, which is another key to calming fears."

For more information on easing recession fears, read, "[Fear Factor](#)" in the March/April Round the Table.

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- "[How to get through tough times](#)." Watch as MDRT Past President **Jack B. Turner, CLU, ChFC**, talks about surviving difficult times.