

# 5 Tips for Helping Clients Deal with Volatility

1

## LISTEN

them off the ledge

Advisors often feel that the best thing they can do is talk an emotional client off the ledge. It is far more effective to encourage the client to talk. The most reliable way to manage emotion is to let someone vent.

Reach out to your most vulnerable clients – those on the verge of retirement, small business owners, clients who are more risk averse. Start with “How are you feeling?” And continue to ask, “what else, what else, what else?”

2

## Manage

selective attention

Neuroscience continually underscores the fact that we don’t notice everything around us – too much potential information for the brain to process – but instead we tend to notice what we are primed to look for.

The 24/7 news culture pushes clients (and advisors) to focus on what generates drama. Help clients gain perspective by sharing market history rather than sensationalized, relentless news.

3

## Understand

loss aversion

Losses are felt more deeply and remembered longer than gains. It’s how the human brain works.

Help clients understand the difference between realized and unrealized losses and gains.

4

## Stay focused

on goals

Remember the real value of money is in what it represents to the client. All but the most short-term goals are still attainable.

Now might be a great time to increase funding for children or grandchildren’s education, or to shore up the retirement plan. For older clients, the SECURE Act extends the age limit to initiate RMD’s from 70 1/2 to 72. Consider more time to build as markets recover.

5

## Open the door

to expanded services

Your clients may be home for an extended period. This could be a good time to think about things like titling, beneficiary designations updating wills, etc. that they may have been too busy to deal with when life was more normal.