

Why Logic Doesn't Work With Anxious Clients

4 Steps for Guiding Clients Through Anxiety

By Barbara Kay, Author and Business Coach

Jack, an experienced financial professional I consult with, received a call from a very anxious client, who exclaimed, "My brother called and said I should sell all my investments and put everything into a bank CD. Should we do it? He said this market drop could be worse than the great recession."

Jack immediately began walking through the benefits of staying invested for the long-term, as he had done many times before. But this time, his approach backfired. The client didn't like Jack's response and became irate. Jack tried another logical response about the historical record of the S&P 500 Index, but that didn't work either. The client was still fuming and hung up. Later, as Jack shared this experience with me, he said, "Barbara, where did I go wrong?"

What We'll Cover

- Why launching into logic tends to fall short
- When the emotional system needs attention
- 4 steps for guiding clients through anxiety

Why Launching Into Logic Tends to Fall Short

Although launching into factual reasoning seems right, it tends to fall short with upset or irate clients. Why? To understand, we need to consider how the brain works. The brain is incredibly complex. In very simplified terms, the brain has two decision-making systems, the emotional system, and the rational system. When we're calm, it's relatively easy to put emotion aside, and focus on logic. However, when we're anxious the emotional system

overwhelms the rational system. In short, when emotions are high, reasoning is low.

Jack experienced this first-hand. Despite his best efforts to call upon reason, the client continued to react emotionally. As the client became hotter, Jack became frustrated. The more he reasoned about the downside of reacting to short-term market drops, the more upset the client became, and the more frustrated Jack became. Soon they were both caught in cycle of emotional escalation that derailed the conversation. Fortunately, there's a better way.

When the Emotional System Needs Attention

When a client is anxious, emotions are dominant, and reason is dormant. This is why Jack's client escalated. His cool logic neglected the dominant emotional need, which further inflamed the client. Whenever a client rejects reason and responds with emotion, it's a sign that the emotional system needs attention. Lay logic aside, for the moment, and offer emotional comfort first.

4 Steps for Guiding Clients Through Anxiety

1 Acknowledge Their Feelings: Acknowledging a client's feelings delivers empathy. It communicates: "I care about your feelings". The process is simple. Listen carefully to gauge how your client is feeling. Then, in your own words, repeat back what you sensed. In Jack's case, he might have said: "It sounds like you're very concerned about market volatility, and wondering if we need to do something now to protect your assets." Compassionate reflection is like a verbal hug. It's the first step to calm alarm.

Important Warning: It's very important that you never validate a falsehood. You can fully acknowledge a client's emotional concern without agreeing to fallacies: "I understand that you are very concerned about this" is not the same as "You're right to be worried."

system, they will continue to feel better, and feel more empowered to combat any residual worry. For example, you could remind a client about how not reacting to market downturns and sticking to their strategy helped their investments recover nicely after the past two bear markets.

2 Normalize the Experience: High anxiety is very distressing. People wonder "What's wrong with me?" and "Am I the only one?". The initial anxiety is compounded by self-doubt. Normalizing alleviates all that. It tells the client: "You're not alone" and "Other people have similar worries." Normalizing is simple. Just explain that volatile markets are very upsetting and the client's experience is entirely normal. Acknowledging and normalizing feelings is a powerful tool for calming anxiety.

It's also an ideal opportunity to commend your client for seeking guidance from you instead of trying to manage their stress alone. This builds confidence that the client is doing something right, which will further calm their anxiety. It also reinforces you as the source for financial solutions, emotional and rational. As a client's anxiety lowers, the rational system will be more accessible. At that point, it's time to pivot.

3 Invite to Reason: Invite the client to review financial facts. You might say "I really appreciate you came to me for guidance, that was the right thing to do. I understand how concerned you've been. When you're ready, I'd like to carefully review things. Are you ready to do that now?"

This is a subtle invitation for the client to take a deep breath and engage their rational decision-making system. In fact, the client might literally take a deep breath and visibly settle down. Then move onto a reasoned discussion.

4 Engage the rational system: Directly engage the rational system by reviewing the big picture. This system is responsible for long-term planning and suppressing emotional impulses. As the client engages the rational

Is it really necessary?

During volatility, anxious clients require more attention. Taking even more time to provide emotional support may feel burdensome. Jack discovered that a little more effort, up front, was worth it. The anxious client took much longer to calm down, because Jack initially launched with logic. The whole conversation would have been more productive, faster, and frankly, more pleasant if Jack had soothed the emotion before moving to reason.

To Summarize

First, our brains have two decision-making systems: a rational system and an emotional system. When we're anxious, the emotional system takes over. Second, logic can amplify the emotional response from an upset client. Third, rather than starting with logic, begin conversations with an upset client by acknowledging their feelings.

When Meeting Anxious Clients, Jack Doesn't Lead With Logic

Since our initial conversation, Jack has had more success when he encounters an upset client. Forewarned and forearmed, he's focused on calming fears first. The one frustrating experience was a timely reminder that financial empathy is just as important as financial reasoning.

Next Step

The easiest and most effective next step is to acknowledge the client with empathy. Listen for both the facts and the feelings. Then summarize what you heard. It tells the client: "I care about your concerns". It's a powerful way to sooth anxiety, build relationship, and strengthen loyalty.



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