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Confessions of a Nervous New Car Buyer

By Margaret R. McDowell,
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*"Don't let the smooth talk fool you...
Don't let the sharks get to you."*

"Smooth Talk" as recorded
by Delbert McClinton



**Margaret R.
McDowell**
Arbor Outlook

Many, many years ago I dedicated a summer weekend to assisting my son in buying a new car.

That Saturday we hit the dealership. The process proceeded well and a fair deal was consummated. But as paperwork was being signed, a specially designated employee steered us into his office to discuss the purchase of GAP insurance, a relatively new financial product at the time. It is, of course, additional insurance purchased by a car buyer designed to cover the difference between what is owed and what the car is worth if it's totaled in an accident.

The salesman talked extremely fast in "automobilese," a completely indecipherable

language, then shoved some paperwork across the desk toward us and said, "Sign here." My son asked him to explain the insurance and cost one more time. The salesman sighed, and said to him, "You just don't get it, do you?"

The salesman had obviously seen more than his share of nervous new car buyers, but even knowing this, he spoke in a condescending manner. I wanted to tell him, "Well, my son may need this explained again, because it's the first time he's heard about it, but he's smart enough to have earned the money to buy a new car." Of course I didn't say that.

Folks who visit an investment advisory firm are often much more nervous than my son was that day long ago. And with good reason. Potential investors are considering entering a relationship far more important than a single car purchase. They are contemplating entrusting their life savings with an investment advisor, and that's a very large decision indeed. They should ask questions and receive courteous, reasonable responses. They should understand the onboarding process and how the advisor hopes to help them achieve their financial goals. That takes time and should involve a calm, respectful interchange.

It's incumbent on me, and other advisors, to recognize that people in

this position are naturally apprehensive. It's important to communicate in a way that is comfortable, comprehensible and respectful to the investor. The potential client may not enjoy the familiarity we do with securities and markets and trading platforms. Why should he? He's been too busy making a living all these years to study investing every day. Making money and effectively investing it are two very different activities.

The investor has been smart enough to save and amass a nest egg, a huge and difficult lifetime undertaking. And smart enough to know that it may be better off invested and perhaps generating income. What this potential investor deserves is genuine communication and respect, not condescension.

Margaret R. McDowell, ChFC®, AIF®, author of the syndicated economic column "Arbor Outlook", is the founder of Arbor Wealth Management, LLC, (850.608.6121 ~www.arborwealth.net), a fee-only, fiduciary Registered Investment Advisory Firm located near Sandestin. This column should not be considered personalized investment advice and provides no assurance that any specific strategy or investment will be suitable or profitable for an investor.