

European Financial Advisors, united we'll win

Dear European Financial Advisor,

I am an Italian colleague, writing to you from Milan, the metropolis in the middle of the Lombardy Region; still the area with the highest concentration of Covid19 coronavirus cases, which is causing so much loss of life in my country. Unfortunately, Italy has in fact, at this time, the global primacy in deaths associated with this virus and frankly none of my compatriots, which include many excellent athletes, desired to be world champion in this “specialty”.

The media reports, every day, increasingly alarming numbers relating to the contagion in other countries, which means that the plague is spreading.

The restrictions that we are experiencing here seem to be gradually being adopted in the other countries of our continent, but in Italy - and in Lombardy in particular - we are at unprecedented levels of limitation of personal freedom, to which we submit ourselves in a disciplined manner anyway, receiving in return greater guarantees for our health. If you only know the Italians a little (and the same goes for the Spanish, who follow us in this uncomfortable ranking), you can imagine what it means, in particular, that we, an effusive people who love contact with each other, are unable to embrace anyone, except those who live with us, but only after having carried out a rigid washing and disinfection procedure.

On the other hand, China has shown that this is the strategy to follow, if we want to get out of this serious disaster. And we have to adapt. For a few days, however, we have recorded some signs of a slowdown in the trend of infections and this bodes well; the health emergency is destined to pass, once the measures taken have had their effect.

Afterwards, we will enter into a full financial emergency, that our customers will perceive as they emerge from the tunnel of the pandemic. And to tell the truth, we are already being warned. As a matter of fact, all governments are trying to prevent the damage, in terms of falling GDP and unemployment, that the virus has already caused. There will therefore be protections for citizens, but investors have not yet deeply examined their accounts. There is still too much concern for their primary needs (i.e. spending, organizing their spaces in forced cohabitation, etc.) to be able to consider what are the consequences of the crisis, not only on the consistency of their portfolios but on the objectives of life itself, that they've planned with us.

Before a recovery can become real, there are companies that will probably close, economic sectors that will suffer, a whole economic development model that will register changes, perhaps even radical ones. The individual countries, and the European Union en bloc, are already intervening to soothe the wounds. But the conversion will not be rapid and our investor customers will be affected in some way, directly or indirectly, by these processes.

Dear European colleague, when the health emergency is over, hopefully very soon, this situation will be perceived by our customers, on both sides of the Alps, as a financial emergency. Already exhausted due to the shock caused by such an invasive presence into their daily life, many of them will probably not be able to take the right decisions. We will have to be there, ready to support them. We are already doing this, you may think. It's true, we are intensively making phone calls, sending emails and WhatsApp messages. I don't think our customers feel lonely. But the future energies that we will have

to devote will be much greater, because, for example, reviewing planned objectives, based on profoundly changed needs, means restructuring a portfolio, not simply rebalancing it.

We will have to listen with even greater attention, fighting anxieties and fears with our competence and our interpersonal abilities. On both we will still have to invest, because each crisis teaches us something new, even the present one.

In Europe, we have a strong Financial Services industry, as well as well-established Associations representing our interests, and careful Authorities that regulate the markets. We will also need the efforts of all these subjects, even more than they are already doing, to overcome the crisis that we will remember tomorrow, like the one from Covid19. I like to imagine that, after the first moment of healing, there will be a great unitary push.

In short, I hope that the virus makes us feel closer, so that we can exchange our professional experiences more and more often, in the interests of our customers; this is why I wanted to write to you. Waiting for my imagination to become reality, a ... warm hug from Italy.

This is a message from Luciano Liccardo, who has worked on behalf of Anasf (<https://www.anasf.it/>), leading the first Financial Literacy projects of the Association. As a Member of the Board of EFPA Italia (<https://www.efpa-italia.it/>) since its establishment in 2002, he was Secretary General from 2009 to June last year. The letter was written on 26th March 2020.

The original was published online, in Italian, and can be seen here:

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