

# What to do when clients talk politics?

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'As advisors, we have our own biases, we have our own political inclinations, [but] there's no point in arguing with people about things that they have strong beliefs about, and it's not my place during a meeting with a client to argue with them about their political beliefs,' says Tina Tehranchian at Assante Capital Management Ltd.

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As the rhetoric gets more heated in the lead-up to the federal election later this month, chances are at least one client will look you in the eye, make a strong political statement and wait to see what you do. How you react can have an impact on the future of the relationship with that client, so it helps to have a plan.

"Some people can be quite jarring in their comments," says Michael Berton, senior financial planner at Assante Financial Management Ltd. in Vancouver, who has made it a rule in his practice not to talk politics with clients. "We're interested in what they think and how they think, so we want to hear those things, but we would never respond in any way – one way or the other."

When a client brings up politics, Mr. Berton is upfront that he's not a political expert – and that it's their views, not his, that are important in the context of the client-financial advisor meeting. Then, he shifts the conversation to the area in which he does have expertise.

“What I usually end up talking about is how their portfolios are constructed,” Mr. Berton explains. “I'm mutual fund-licensed, so most of my clients have either private pools or some form of mutual fund. I discuss how [portfolio] managers are thinking about the election [and explain that] they'll position the portfolio appropriately.”

Furthermore, he tells his clients that “it's right to ask and to think about these things,” but then he reminds them that when they pay professionals to manage their money, it's the advisor's and portfolio manager's job – not the clients' – to worry about any impact political events may have on their portfolios.

In many cases, clients who make political comments are “headline stating,” says Scott Plaskett, senior financial planner and chief executive at Ironshield Financial Planning in Toronto. In other words, they've seen a headline that captured their attention, but they don't necessarily have a deep understanding of that particular issue.

“I try to keep up to date on what's happening in the political scene, not because I want to have those conversations with clients – because really, at the end of the day, they're not very productive conversations when it comes to investment or financial planning, in general – [but] so I can acknowledge that I know what they're referring to and then ask them why they're interested in that topic? Why was that something that made it to the list of questions they wanted to ask today?” Mr. Plaskett says.

Often, he finds the statements clients make are just the starting point for the questions they really want to ask. Many times, what emerges is that clients are scared about the impact a specific election result will have on their financial plan. “Then it becomes a much more productive conversation [during which I remind them that] no one government is going to make or break a disciplined portfolio strategy.”

Tina Tehranchian, branch manager and senior wealth advisor at Assante Capital Management Ltd. in Richmond Hill, Ont., says it's important not to take the bait when a client says something outrageous.

“As advisors, we have our own biases, we have our own political inclinations, [but] there's no point in arguing with people about things that they have strong beliefs about, and it's not my place during a meeting with a client to argue with them about their political beliefs,” she says.

That said, having clients express a political view can be an opportunity for an advisor to get a better sense of their priorities, Ms. Tehranchian says. “Federal elections are a good forum [during which] people will vent and talk about their concerns and what's important to them. Probe, listen and don't be judgmental.”

After you hear them out, she advises to “bring the conversation back to the context that it should be in, which is their portfolio, their financial future and how all of these developments in the political sphere could affect their future.”

What if you agree with a client’s political conversation opener? Ms. Tehranchian sees some benefit in making it clear you’re on the same page to further cement the relationship, but Mr. Plaskett cautions against it. He has watched political views shift as people get older and accumulate more wealth.

“It’s a natural progression. When you don’t have that much, you’re looking for more from the government. When you do have a lot, you’re looking to give the government less. ... So, I’m not going to align myself with them and try to be a buddy on the liberal side or be a buddy on the conservative side because I have a sense that, over time, their views will change,” he says.

For Mr. Berton, the key is to stay focused on the job at hand. “Remind them that politics is important, but it’s not what we’re here to do today, and steer it back to talking about the portfolio and things we can control.”