



Allen Marketing & Associates, Inc.

SCANNING ALERT!



Industry Insight

HOW ARE YOU POSITIONING THE WORD RECESSION WITH YOUR CLIENTS?

By Robert W. MacDonald



Facing Down Recession

Perception is said to be more powerful than reality. That certainly is the case when it comes to human nature. For human beings, the great-

est inhibitor to finding new answers is the perception that all the answers are already known. It has also been shown that perception is the strongest when applied to a negative situation. Movies make millions creating the perception of fear. The same can be said of the media and the hype over the perceived recession in the American economy.

Unfortunately, whether or not the economy is actually in a recession, the perception creates the reality because many react as if recession is a reality and that creates a self-fulfilling prophecy. However, while it is true that there has been a slowdown in the economy, the American economy remains the strongest in the world.

As far as the insurance business is concerned, many people perceive that a recession creates a negative environment for the sale of financial products. The pessimistic theory is that if the customer perceives the financial situation to be bad, then how can they be convinced to purchase financial products? The reality of the situation is far different, however.

The fact is, a recession is a great time to be selling the financial products offered by the insurance industry. Why? Well, remember the old saying that the easiest time to sell life insurance is after someone has had a heart attack? Or that the best time to offer fire insurance is after a neighbor has had a fire? Well, the same concept also applies to selling guaranteed financial products during a recession.

When times are good, long-term financial needs often take a back seat. However, when individuals are concerned about their finances and financial future, they are receptive to a product that can guarantee and secure their future. And that is the essence of what insurance and annuity products offer.

Remember, even in a recession 95 percent of the population is still working and building wealth. It is specifically the negative feelings of a recession that trigger their interest and desire in protecting themselves from the impact of a recession. Suddenly, safety and security become much more attractive

than risk and uncertainty. In such an environment people become much less concerned with the return on their money than with securing their future.

When times and products are "high-flying" many seem to have little time or interest in the security of guarantees, but when individuals are concerned about the security of their future, then products that guarantee a future become much more attractive. The one thing that prevents

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agents from taking advantage of a recession to sell more products is the perception that a recession is a bad time to sell financial products.

The reality is that a recession is a time for agents to step forward proudly and show that the products they sell work best when times are bad.

Agents can stare down a recession by doing what they and their products do best and that is guarantee a future, just at a time when people are most worried about their future.



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