

WHAT I HAVE PERSONALLY  
LEARNED FROM THIS CRISIS  
AND HOW I'M ADVISING MY CLIENTS



Written by Ben Beshear  
Photography provided by NWM



I am writing this article on March 23, and to say the world has changed a lot over the last few weeks would be an understatement. The COVID-19 situation is fluid and evolving rapidly. By the time this article is printed, things could be better or they could be worse, but I thought it would be helpful to reflect on this situation from two perspectives. The first perspective is, what are we learning from this situation about our lives? The second perspective is, what are the principles that drive investment decisions in tough times?

## 10 REASONS COVID-19 MAY IMPROVE THE QUALITY OF OUR LIFE (IN THE LONG RUN)

I am not intentionally ignoring how difficult this time has been; the last few weeks have been the toughest of my life, but I believe where there is pain, there can also be renewal and hope for the future. I also think it is worth stating that most of my team can do work remotely, and I have a spouse who is an amazing teammate. If I were in a more dire circumstance, I might not be able to see any silver lining at this point and that would be understandable. If you are going through a very rough time because of this crisis, our thoughts and prayers are with you.

### BELOW ARE 10 THINGS I'VE LEARNED FROM THE CRISIS (SO FAR):

**1. FEAR OF MISSING OUT MAKES US MISS OUT ON WHAT IS IMPORTANT** — When the opportunity of leaving your house is removed, you tend to focus on the people inside your house. So much of life (prior to COVID-19) seemed to be driven by influences outside of our house...kid's sports, friends' parties, charitable fundraisers, nonprofit board meetings, and on and on. When all of that is removed, you realize it was too much. We've had more family dinners and family time in the last two weeks than we have had in the last two months. This is a reminder that what happens inside my house with my wife and kids needs to take precedence.

**2. OUR KIDS DON'T NEED MUCH MORE THAN US** — Piggybacking off point 1, our kids (5 and 9) are happier and healthier and don't seem to mind this slow down at all. To be clear, they are still 5 and 9 and can be exhausting, but the pace we had them running at with sports and friends was too much. This is a reminder that they don't need more stuff, they need more of us.

**3. PEOPLE ARE GOOD** — The number of clients that I have had call to check on me is overwhelming. Despite a time when their portfolios are losing money and they have difficult situations at work, they have been kind enough to call to check on me. I've also seen our church (Crossroads), neighborhood, and community look for simple ways to support and help each other at every step. This is a reminder that small acts of kindness are a really big deal and they unite us.

**4. BE GRATEFUL FOR THE SMALL THINGS** — Just the ability to take a walk and wave at a neighbor feels like a treat. Having a beer with a neighbor, albeit at 6 feet away, has a new freshness and sweetness that it didn't have before. It is so easy to take the small things for granted. This is a reminder to practice gratitude.

**5. I LOVE MY WIFE** — I have said it before, but when you are trapped inside with someone for weeks at a time, it is not a neutral event. I have realized in so many ways how lucky I am to have a woman that supports me and has my back. I have seen her do amazing things in the last few weeks; she has been my sounding board during a very stressful time, she has been the kids' teacher, she has found ways to do kind things for friends, and she has reminded me over and over again why I love her. This is a reminder to not take your spouse for granted.

**6. CONNECT TO FRIENDS IN NEW WAYS** — We have several couples that we have scheduled "Zoom quarantinis" with over the last few weeks. Think of it as a virtual happy hour. It is so amazingly simple to connect and encourage friends in a 30-minute call, and prior to this we never seemed to have the time to simply touch base. This is a reminder that investing in friendships doesn't have to be hard and complicated or at a fancy restaurant, it can happen simply and sometimes even more powerfully.

**7. FAMILY ENTERTAINMENT CAN BE CHEAP (AND FUN)** — Whether it is board games, family TikTok dance parties, games of smash ball, a walk, shooting hoops, karaoke, or just watching a movie, entertainment and spending time together costs very little. Spending money and having fun aren't always connected. We can be creative in so many more ways than we knew previously.

**8. TOUGH TIMES HAVE A WAY OF FORCING CHANGE** — There are a few things in business that we have been slow to adopt from a technology standpoint, and this situation immediately created a need for all team members to adapt and be virtual. We adopted some new systems and technologies

much more rapidly than we would have without this tough time. This is a reminder that while change is scary, it can be good.

**9. TOUGH TIMES CREATE OPPORTUNITY** — This crisis will create opportunities to think differently and to serve clients in new and different ways. It may also create space for families to think differently and opportunistically about what changes they want to make to improve their lives. This is a reminder that no matter what happens, we can view it as a positive or a negative. Our perspective matters a lot.

**10. GOD WILL USE THIS FOR GOOD** — Not all of my clients or friends believe in God, but I do and I believe He will use this for good. I don't even know what that means yet, and I know in the meantime it is causing a lot of pain, but ultimately, I think we will come out of this as stronger people, families and communities. This is a reminder that I'm not in control, but I have peace in knowing that God has a plan for good.

Now that I've reflected on the personal and life sides of the crisis, what am I telling people it means for their portfolios? Here are the

## 5 THINGS I AM TELLING OUR CLIENTS

Even though this is scary, I believe a good financial plan can prepare you for a downturn, even one as unique as this one.

**1. Our client portfolios are "goals based,"** which means we already planned for this kind of market ahead of time. On average, our clients have **5-10 years of anticipated income and liquidity needs in cash and bonds**, which means they don't have to sell equities for their lifestyle on days like today.

**2. Stay invested and diversified** despite the temptation to shift strategies. Choosing to abandon your strategy after a market sell off may feel good, but it is almost always the wrong move for long term investors.

**3. Use market volatility to your advantage**

- A. Tax loss harvest
- B. Rebalance
- C. Deploy cash
- D. Continue funding retirement accounts through payroll deduction (dollar cost averaging)

**4. Look for big-picture financial planning opportunities** that are available in tough times

- Refinance your mortgage (*rates are at an all-time low*)
- Refinance other debt
- Buy things on sale (*Every retailer, car dealer, etc is having a sale. I'm not advocating for buying things you don't need, but if you were already going to buy it anyway, now might be a great time*)
- Negotiate a better deal with vendors (*Cable etc*)
- Use the down time to get organized (*Estate planning, tax records, etc*)

**5. Focus on your long-term plan** and the right decisions for your long-term portfolio. Watching cable news is rarely the way to inform your portfolio decisions (These stations make money by the degree to which they can alarm you and keep you watching). We have co-created a thoughtful financial plan and portfolio for moments like this one. Turn off the TV and get back to the life and people you love (even if it is at a social distance).

I hope this portfolio advice is helpful, but more than anything, I hope it has made you think about more than your portfolio. I hope it has made you think about the things in life that matter more than money. Please stay safe and I hope by the time this article comes out, that the situation is improving.

Thank you for your Support and Friendship,  
The Team at Beshear Financial.

*All investments carry risk, including potential loss of principal. No investment strategy can guarantee a profit or protect against loss in a down market.*

*Joseph B Beshear uses Beshear Financial as a marketing name for doing business as representatives of Northwestern Mutual. Beshear Financial is not a registered investment adviser, broker-dealer, insurance agency or federal savings bank. Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company, Milwaukee, WI (NM) and its subsidiaries. Joseph B Beshear is an Insurance Agent of NM.*

*Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™ CFP® (with plaque design) and CFP® (with flame design) in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.*

*For more information contact Ben Beshear at [beshearfinancial@nm.com](mailto:beshearfinancial@nm.com) or call 513.366.3664*