

# Financial Adviser

News and insight for financial advisers, wealth managers and their clients.

**THE WALL STREET JOURNAL.**

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## Required Reading: Five Stories For This Morning



With guest commentator Jane King, president of Fairfield Financial Advisors, Wellesley, Mass.

[With Elections Looming, Congress Is Unlikely to Act Soon](#) (The Wall Street Journal)

Will “Stimulus II” become a reality? Election-year politics are playing havoc with President Obama’s latest plan, which includes pumping “another \$50 billion of infrastructure spending into the economic bloodstream.” For advisers, political stalling may be of little to no good, says King, since they’ve got anxious clients waiting for stocks to rally. But King is optimistic that the president’s keynote economic speech today in Cleveland will “inspire confidence in the markets.”

[What Stocks Would Gain from Deflation](#) (MarketWatch)

Don’t necessarily listen to those who say stocks are bound to suffer if we head into a period of deflation. This story points to key sectors – namely, consumer staples and health-care – that typically do reasonably well in such a time. King can’t help but note that many of the companies cited, such as Johnson & Johnson and Procter & Gamble, are solid dividend plays, too. In other words,

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they're good, stable companies all-around – and ones that King believes advisers might be wise to suggest to clients during these tough economic times.

### [Young Adults Shying Away From Stock Market](#) (Newsweek)

The topsy-turvy market of the last few years has claimed another victim – namely, people ages 18-34. As this story explains, “Affluent millennials and 30-somethings say their tolerance for risky investments is much lower than it was a year ago, rivaled only by people over the age of 65, according to a new study by Merrill Lynch Global Wealth Management.” But King has taken such a trend and turned it into a call for action – and she encourages her fellow advisers to likewise do so. She regularly suggests that clients invite their adult children to come by for a separate consultation, even if it's just to review their 401(k) plan at work. That brings more young people into the investing fold, and these are people who could later become clients themselves.

### [The Bears and the State of Housing](#) (The New York Times)

Housing isn't an “investment” to those who are simply looking to put a roof over their head, but the wealthy are usually looking for more in a home — or for more homes, as in vacation properties. King says they're finding plenty of attractive buying opportunities today, particularly when it comes to second homes. But she believes advisers would be wise to view home-buying on a case-by-case basis with clients, since not all clients will easily qualify for a mortgage under today's tightened lending rules. Plus, King says, “negotiations between buyers and sellers are taking much longer.”

### [Responding to Clients Who Drive You Crazy](#) (Advisor Perspectives)

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And these days, what adviser is without such clients? This story's point, however, is that an adviser must make a distinction. The client isn't causing the problems – at least not on the surface. Rather, the adviser is letting the client get to them. King says she tries to make that distinction in her practice each and every day

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