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Credit Risk Ready Podcast

Host Linda Keith CPA With Kathleen Burns Kingsbury

The Pandemic Reality: How to Talk to Borrowers Who Are Stressed, Worried and Fearful

Hi, this is Linda Keith CPA with Credit Risk Ready, a podcast where we interview senior credit and lending professionals from community financial institutions across the United States, their regulators, and banking advisors to better understand and mitigate credit risk.

In this episode, we are going to get into the emotional side of lending and credit when talking with borrowers who are in financial distress. This may be a business owner or a personal borrower who is accustomed to strength and resilience, and when they find themselves in a financial challenge and face being unable to keep their promises to their bank and their banker, the conversation takes a very different turn. To help us with this, my guest is Kathleen Burns Kingsbury, founder of KBK Wealth Connection.

Kathleen is a wealth psychology expert, host of the Breaking Money Silence podcast and author of *Breaking Money Silence: How to Shatter Money Taboos, Talk Openly About Finances, and Live a Richer Life*. She works directly with affluent couples and their financial advisors.

Welcome back to the podcast, Kathleen.

Kathleen Burns Kingsbury:

Thank you, Linda. It's great to be here.

Linda Keith:

So, I know you often speak and write on breaking money silence. And while I would think bankers are comfortable talking about money, is that true when the conversation has to focus on the challenges this recession is posing for so many of their borrowers in keeping their promises?

Kathleen Burns Kingsbury:

Well, I like to say that bankers are people, too.

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Linda Keith:

It's true.

Kathleen Burns Kingsbury:

And all of us... Yeah, it is. All of us live in a society where money talk is taboo. And when I talk about money silence, I'm not just talking about the dollars and cents: I'm also talking about the emotions around money. So with that, I would say that any of us, including myself who wrote a book on it, always have areas where we could improve when it comes to talking about money, and especially talking about our emotions and our feelings about money.

Linda Keith:

So how does a banker... Let's say our listener is a frontline person. You've got your customers, some of whom you actually think are doing well and, of course, that's an assumption maybe we need to get over. But some of them, you know, might be in trouble. How do you even plan that phone conversation, or the opening to the phone conversation, in a way that won't make them worried that the banker is calling?

Kathleen Burns Kingsbury:

It's a great question. I think, ideally, you've developed a longer-term relationship with them and so you checking in is something that you've done on a consistent basis. If that's not the case, that's okay. I think it goes a long way to reach out to, say, a business owner and say, you know, with everything going on in the world, between COVID, and the economy, and the racial tensions that are out there, we're really in kind of a perfect storm. And so I'm just checking in with all my clients to see how it's going and how I might be helpful. And then be quiet and listen, because often, that opening will allow them to share a little bit about what's going on in their lives and, specifically, what's going on in their financial lives.

And so it's a very soft way of trying to break money silence and I do think, given what's going on in this world right now, I often talk about it being such a crazy time, it is the time to break money silence. Because these thoughts, and beliefs, and concerns are all on the top of everybody's mind, whether it's your business owner trying to stay viable; whether it's a parent trying to figure out, "How am I going to work when I have my kids at home?"; whether it's a college student figuring out, "Should I go back to school and pay for school where I'm going to sit on Zoom all day?" And so I really think that people are really positioned to talk about it if you are open to asking the questions.

Linda Keith:

It almost sounds like this is the perfect opportunity. Maybe you're someone who's never done as much as you feel like you should have about building the relationships. This is a time no one will be offended if you say, "Hey, how you doing, because we know there's so much going on?"

Kathleen Burns Kingsbury:

They are more likely to be offended if you didn't pick up the phone or you didn't check in via email. I certainly am hearing from a lot of people that I work with, and I work both with the clients as well as the financial services professionals, and people are walking if bankers and advisors aren't checking in with them because they really want that emotional connection.

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And often I find that if you're struggling to figure out if now is the time, where you're struggling to pick up the phone, it is often less about the client and more about your own comfort level, breaking money silence, and talking about feelings about finance.

Linda Keith:

Right. So how do you approach that if you realize it's you, yourself, that's having trouble rather than you're concerned about whether your customer or your borrower will find it offensive?

Kathleen Burns Kingsbury:

Well, the first step I always encourage people to do is to take some time to examine what I call their money-talk mindset. So what are your automatic thoughts and beliefs about engaging in a financial conversation? And what are the ways in which you have strengths and where are the areas where maybe you have challenges?

And what I'll do for your audience is I will provide a brief exercise that they can go through that allows them to start to examine that at a very high level. It's asking yourself questions, such as what's the easiest financial conversation for you to have? What's the hardest financial conversation for you to have? You know, think about what your parents taught you about money, and who you talk about money with, and who you don't talk about money with. And like I said at the beginning, bankers are people, so it's often your personal perspective. And looking at that first, and then thinking about how does that apply to how I am with my clients? And this exercise isn't about beating yourself up or saying you're doing something wrong, it's about gathering valuable data to then help you engage in a conversation with your consumers.

Linda Keith:

Well, that is a fantastic first step, because often the fear is of the unknown because we haven't even looked at our own feelings about it. So, we understand better how we feel about it, we've now taken care of at least half the equation.

Kathleen Burns Kingsbury:

Yes. And I always believe that when it comes to the emotional side, the behavioral side of money, if we do the work around gaining insight about ourselves, it not only helps us be stronger and more financially fit in our personal lives, it also really helps us professionally, because it may be that some of the questions that are on the questionnaire are things that you might be asking your clients right now. What's the hardest financial conversation you've had to have? What's the part of your financial life that you find the easiest right now? You know, those are not that offensive questions and people can answer them and share as much or as little as they want, but it allows them to know that you are someone who's willing to have these conversations. You're different than the banker down the street.

Linda Keith:

Well, and even if they choose not to open up like an open book to those questions, you now have planted some questions in their mind that will be helpful for them to think about in a bigger picture. So, you're bringing value to that relationship simply by asking the questions.

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Kathleen Burns Kingsbury:

Yes, and I think the other thing that comes to mind for me is just how stressed out people are, whether they're aware that they're stressed out or not. And you know, a lot of that is financial stress, but there's other stress on top of it. Concern for their family, their health, there's so many things. So, one of the things to keep in mind is that when somebody is stressed out, they cognitively can't think at the same level that they usually do. So, you may need to repeat things, you may need to write things down, you may need to take a couple deep breaths, because the way in which your client, who may be mild-mannered at many other times in your contact with them, is a little frustrated, a little angry, a little anxious. And so I think it's really a time to just allow people to deep breathe and be very human and know that that stress may get in the way of being able to get you the information they need or be able to take your phone call.

So, it's just acknowledging what's going on. And in some ways, labeling the elephant in the room, which is, "Yeah, we're all stressed out, and I'm your banker. So, you know, me calling might stress you out as well."

Linda Keith:

You might as well just say that. They probably will laugh and then you can take that little piece off the table. Well, it sounds like you'd need to set a little more time aside for these calls than maybe you'd normally set aside for a touch base, because you may call and it may turn out that they just went to a wedding with 110 people, and there wasn't social distancing, and there weren't masks, and they get into this personal side piece. And you can't say, "Yeah, but I called to get your most recent financials," right? So you have to let it run whatever they decide to talk about, it seems to me, if you're really calling them as a service to them as opposed to just a transactional step.

Kathleen Burns Kingsbury:

Absolutely. And you know, I would leave a certain amount of time. So, if you're normally you'd spend 15 minutes on it, book out 30. And if for some reason, you can't get to too many people in a day, that's okay. It's really about strategically moving down the list, and connecting with people, and being able to offer them resources. And I think the people that have impressed me the most in my financial team are the people who have proactively reached out to check in on how I'm doing, who have proactively given me information about the loans that are available for business owners, or the grant state-by-state, or anything that's out there as a woman business owner, people who've been proactive and giving that information.

I have even seen, and this is okay for a bank to do, bankers and advisors, you know, shoot off an email or do a blog around stress management techniques. I think anything goes, and all you're saying in these different forms of communication is, "You matter. You matter as a human being to me and I know that it's more than the dollars and cents in this relationship. Yes, dollars and cents are important, but so are you." And I find that most people will be responsive to that. You are going to get people who deal with stress by avoidance and putting their head in the sand, and so they're probably going to be the trickiest to deal with.

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Linda Keith:

Mhmm. Well, and I think that when you make your goal for the phone call then, you need to have primary and secondary goal. And maybe you do actually need to get some updated financial information, but your primary goal is touching base. And if it turns out that that phone call has to be all about the primary goal, then maybe it's a follow-up email, or there's some other way you can get your secondary goal, rather than feeling like I can't hang up the phone until I get this sort of tangible financial piece that I really am after.

Kathleen Burns Kingsbury:

Well, yes, and the beauty of connecting with people, and sometimes for people who are used to checking things off the list and I certainly am one of those people, that you have to go with the ebb and flow of it. I think of it it's similar to kind of the ebb and flow of cash. You know, cash comes in and cash goes out. There's this ebb and flow. And if you can kind of be okay with that, you're more peaceful in your financial life. It's very similar with a conversation or relationship with a client. There is an ebb and flow and an ebb and flow. And actually, if you spend 30 minutes talking to them, and they share and give you personal information, you are much more likely to then get the financial data you want, either at the end of that meeting or at a later follow-up time than if you didn't have that phone call at all.

Linda Keith:

Plus, you've now cemented the relationship, period.

Kathleen Burns Kingsbury:

Yes. I look at it as a banker is someone who is providing a service, and so how can we be of service to our clients and maybe our prospects out there? And, in that way, I think that will be well received.

And then the other thing, I would say, as we're talking about emotional conversations and stress, I think people who are in this profession need to take care of themselves. So, part of it is doing exactly what we're saying with your clients and then making sure you have some support system. If you have a client who blows up on you, if you have a client who is avoiding you, if you've just had a long day where everybody's told you kind of sad tales, then having some sort of place to unwind, whether that's a colleague, a coach, a supportive partner, just laughing with your kids, I just think that's important to be mindful of as well.

Linda Keith:

Right? Get outside, go for a walk, jumping jacks, do something.

Kathleen Burns Kingsbury:

Yes. I have to tell you, the last bad emotional call, I got on my mountain bike and rode like a banshee.

Linda Keith:

So there was actually a benefit.

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Kathleen Burns Kingsbury:

There was a benefit; there was an emotional benefit and a physical benefit. And then when I came back to my desk, I was much more sane and open to being able to foster trust with this particular relationship.

Linda Keith:

Mhmm. So if the listener is in loan and credit management, one actionable insight they might have is what can they do to put together some of these resources, whether it's dealing with stress or some of the other things that are likely to come up on these phone calls, so that the originators have something at their fingertips that they could send off as an email, depending on what happens in the calls.

And then also, secondly, understand the stress these calls are going to cause. And so many people are working from home right now, so the manager doesn't walk by and see that you're practically in tears, right? They don't have the clues that you just had a really stressful call. So, the management needs to build in some way for them to be touching base with their originators and with their frontline people to say, "Okay, how are you doing and how's it going?"

Kathleen Burns Kingsbury:

Yes, I think we need to be more proactive and, in a virtual world, I think proactive in terms of taking care of ourselves if we're working at home, certainly managers checking in. And I know a lot of organizations are having Zoom meetings where they might play a game together, they might have a happy hour together, they might just have a, "Okay, this week, let's talk about the best call we've had and the worst call we've had." So really setting up places where people can share, and not everybody's going to share in a group context. So, it's really thinking about setting up both the group support system, as well as the one-on-one.

Linda Keith:

So, does this change at all? Or how do we shift when part of the reticence on the relationship manager lender is that the person they're about to call is like the same age as their parents? You know, it's like a generational thing. I wouldn't ask my mother these questions. So, how can I ask someone who's my mother's age about what's going on financially and so forth? So is it all the same things we've already been talking about? Or especially if, within their family, children did not ask parents about the money or the parents never talked to the kids about money? Is there a generational piece here that's kind of getting in the way, too?

Kathleen Burns Kingsbury:

That's an interesting question. I think when you do the money-talk mindset exercise that I'm going to be sharing, you'll find out what are your challenges and what are your strengths. And if your challenge is, "I was raised that you never ask Grandma about finances," which a lot of us were, then it's really looking at, "How did that message serve you? And how did that serve your family? How did it potentially get in the way and is there a different way of looking at it?"

So, the way I think of it, which is not the way I was raised, was that if you are asking other people about their financial wellbeing during a crisis that we're having, it is showing that you care, it is showing that you are concerned, and whether they respond and open up or not, they know that you are coming from

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a caring place, as long as you deliver the message that way. And that goes very counter to what I was taught growing up, which is you don't talk about money outside the family.

And so, it's really turning whatever is a challenge for you into a potential strength and knowing that none of us are perfect at this. So, you don't have to start with, "Hand me your financial statements." You could start with, "You know, I know this has been really tricky for you and I just want to say..." Say you thought of them the other day. "...I thought of you the other day, and I wanted to check in." And take the lead from the client, but again, err on the side of pushing yourself a little bit.

When I wrote the book *Breaking Money Silence*, at the very end, there is a call to action to join the Breaking Money Silence Revolution. And what that means is, dare to have one financial conversation that you wouldn't have had before you wrote this book. And so for your listeners, I would have them dare themselves, what is one conversation, maybe not the most uncomfortable conversation, but one step outside your comfort zone, that before listening to this podcast today, you thought, "I'm not going to do?" Just push yourself a little. Have one and join the Breaking Money Silence Revolution, because eventually what will happen, and I'm hoping the silver lining of this crisis, is that we will become much better in the industry, as well as in this society, at talking more honestly and openly about money and how we feel about it.

Linda Keith:

Well, and this pandemic recession provides an amazing array of opportunities, and one of them is that we now can have these conversations. We can create relationships with borrowers that we couldn't have as easily created before because of all those taboos that might have been in place that we're willing to shatter in a disastrous situation, which we all feel we're in now. And as a result, have a stronger relationship and have the chance when this is all over to retain that relationship, because you reached out. And there are so many people, they won't leave you right now, because it's too scary, but as soon as this is over, or they perceive it's over, if they don't think you stepped up and took care of them, they will have no loyalty to you or your bank.

Kathleen Burns Kingsbury:

I do think the risk of losing somebody during this time or, as you said, Linda, when this time kind of hopefully comes to an end soon, is high. I do think that, anybody listening, if you are proactive, if you lead with your heart, which may not be what many bankers are used to doing, but leading with your heart, and if you address the emotional side of money, you have decreased that risk of someone leaving.

And, the fact of the matter is, your clients have always had feelings about finance before COVID. They'll have feelings about finance after COVID. And hopefully you will develop this skill and a dialogue with them that will make the conversation and the relationship richer. So, I do really believe that in this struggling time there is an opportunity for all of us to get clear and to be able to talk about more than just the technical side of finance, but also to talk about the emotional side of finance.

Linda Keith:

Which then takes care of your customers and therefore your bank much better.

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Kathleen Burns Kingsbury:

Yes, and I think I think banks that really speak to the human side of finance and go to where people live, so to speak, in their hearts. Yes, the business owners need to know their numbers. People need to understand the financial instruments, but really what motivates people is what they value and how can they financially support the things that they value. And during a time of crisis, we tend to get very clear as to what's important to us, and where we want to put our money, and who matters, and what financial services professional stood out and what didn't. So, I know everybody can rise to the challenge.

And, certainly, if you need more information on how to do that, I'd be more than happy to field your questions or your calls through my website.

Linda Keith:

So, Kathleen, we did put some really great links down in the show notes. I want to thank you so much for helping us get into the psychology of all of this and, through that, being able to keep our customers and serve them better. Thanks so much.

Kathleen Burns Kingsbury:

Thank you, Linda.

Linda Keith:

Thanks for joining us on the Credit Risk Ready Podcast. Subscribe, comment, or share on social media to stay connected and spread the word. Join me next time as we bring our bank, our customers, and our communities through the recession safe and sound.

Take care.

Resources

- Website:
 - [KBKWealthConnection.com](https://www.kbkwealthconnection.com) (advisor-facing)
 - [BreakingMoneySilence.com](https://www.breakingmoneysilence.com) (consumer-facing)
- Podcast:
podcast.breakingmoneysilence.com
- 5 Tips for Working with Emotional Clients:
<https://www.kbkwealthconnection.com/client-communications/5-tips-for-working-with-emotional-clients/>

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About Kathleen Burns Kingsbury

Kathleen Burns Kingsbury is a wealth psychology expert, founder of KBK Wealth Connection, host of the Breaking Money Silence podcast, and an internationally published author and speaker. *Breaking Money Silence: How to Shatter Money Taboos, Talk Openly About Finances, and Live a Richer Life* is Kathleen's fifth book.

Named one of nine amazing conference speakers in 2017 by Investment News, Kathleen is a sought-after keynote speaker and consultant on the topic of women and wealth and couples and money. Her mission is to empower women, couples, and families (and the advisors who serve them) to shatter money taboos and communicate more effectively about financial matters.

As an expert on financial psychology, Kathleen has appeared on television and written for consumer and trade publications. Her work has been featured in The New York Times, The Wall Street Journal, PBS News Hour, Money Magazine, TODAY Money, Forbes, and CNBC.

Kathleen is an adjunct lecturer at the McCallum Graduate School of Business at Bentley University and a guest lecturer at the Personal Financial Planning program at Texas Tech University. She received an undergraduate degree in finance from Providence College and started her career in retail banking before becoming a commissioned Bank Examiner with the FDIC. Due to her desire to coach executive management on improving performance, she attained a Master's Degree in psychology, became a Certified Professional Co-Active Coach, and founded her consulting firm KBK Wealth Connection.

When she is not working, Kathleen is an avid alpine skier who lives for the next powder day. In the off-season, she enjoys mountain biking, kayaking, and laughing with her friends. She lives with her husband and her cat, Avery, in the Mad River Valley of Vermont.

About Linda Keith

Linda Keith CPA draws on her 30-plus years of experience consulting with and training lending institutions; background in public accounting; 15-plus years as CFO of the family residential construction company; and experience as an Examiner with the Washington State Auditor's Office and as adjunct faculty in Accounting Principles and Managerial Accounting to help lending and credit professionals say "yes" to good loans.

Of course, you know those are not consecutive years or she'd be over 100 by now!

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Linda is known by her clients to be both practical and funny. In fact, there is a movement afoot to change the 'P' in CPA to stand for 'Playful'. The fact is, people absorb ideas and learn better when they are having a little bit of fun. So, Linda brings the fun along with her practical knowledge and depth of understanding to provide credit analysis training and presentations that make a difference.

She is the founder of [Lenders Online Training](#), a virtual classroom approach to improving tax return and financial statement analysis capabilities; the host of the [Credit Risk Ready Podcast](#); and a [consultant/trainer on credit risk](#) to banks and credit unions across the country.

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