Q&A Market and economic impacts related to COVID-19
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Guests:
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Marcy Keckler: Hello, my name is Marcy Keckler and I'm the Vice President of Financial Advice Strategy here at Ameriprise Financial. Your advisor's mission is shared by all of us at Ameriprise, to help you to achieve your financial goals and dreams. We recognize that we are in unprecedented times with communities around the world dealing with a health crisis unseen from many generations, and we've seen more intense market volatility in recent days than we've experienced in decades.

Today, we will address the latest market and economic circumstances that could be impacting your goals and how you feel, both about your financial long-term approach and your near-term needs. But before that, I want to assure you that here at Ameriprise, our primary concern is for your well-being and the well-being of your families and loved ones. We're also taking care of the health and well-being of our own team members. And throughout these ongoing developments, we remain committed to serving your needs.

Your advisor and our client service teams are available to meet and answer any questions, including by phone or online. At any time, you can connect with your advisor using the secure site on Ameriprise.com or the Ameriprise mobile app.

Today, we want to give you the opportunity to hear directly from our global investment professionals. Along with your Ameriprise Financial advisor, they have been closely watching the world economy and markets and are here to provide insights on the rapidly evolving market and economic environment. They will answer the top questions that we've received from advisors on behalf of clients. Here's a sneak peak at just a few of the questions that we will answer today.

How long do you think the market volatility could last? My account balances have dropped. How should I think about that right now to stay on track with my financial goals? I'm already in retirement and don't have as much time to plan for the market to recover. Should I rethink my financial plan? And are we heading into a recession?

Joining me today are Ameriprise Financial colleagues who will discuss these questions and more. First is David Joy, our Chief Market Strategist. Welcome, David.

David Joy: Thank you and my pleasure to be with you today.
Marcy Keckler: Next is Anthony Saglimbene, who's our Global Market Strategist. Welcome, Anthony.

Anthony Saglimbene: Hello, Marcy. Thank you for having me.

Marcy Keckler: Third is Russell Price, who's our Chief Economist. Welcome, Russell.

Russell Price: Hi, Marcy. Thanks for having me on.

Marcy Keckler: And from Columbia Threadneedle Investments, we also have Colin Moore, who's our Global Chief Investment Officer. Welcome, Colin.

Colin Moore: Hi, Marcy. Glad to be here.

Marcy Keckler: We have been closely watching the markets from the initial volatility that began in mid-February as COVID-19 spread around the world to Monday, March 9th, when concerns about oil prices led to aggressive stock declines around the globe. Then on Thursday the 12th of March, the Dow Jones Industry Average plunged 10%, its worst day since the 1987 market crash, driven by global uncertainties, including the 30-day Europe-to-US travel ban, quarantines, and a growing cancellation of large gatherings in communities, cities, and states around the world. And that brings us to today, March 16th. Economic impacts around the virus continue to grow. Over the past several days, mandatory social distancing has been put in place across multiple states as government, public, and private buildings, businesses, and organizations are closed or operating under significant modifications. The Federal Reserve has cut rates to zero and launched a $700 billion quantitative easing program. These are measures we have not seen since 2008 during the Financial Crisis.

In the markets, we are now in a bear market, something investors have not seen in over 11 years. And today, markets again opened with a steep decline, trading was halted for 15 minutes shortly after the open as the drop on the S&P 500 triggered a circuit breaker and it was the third time in the last week that the circuit breaker was triggered. So with that as our backdrop, Colin, I'd love to start with you and get your perspectives on a global view. In your experience, how long do you think the market volatility that we're seeing might last?

Colin Moore: It's unusual for this level of volatility to be persistent. Generally, you can sustain levels of volatility at this maximum period but the uncertainty can continue for a while. We're fairly clear that we won't get a break in this until we see some peak in the number of cases being reported in both Europe and the US. But the evidence from Asia is that that does occur and then things start to recover after that, and I hope people will remember that. We are now getting evidence that this passes and can be contained.

Marcy Keckler: That's a great point as we get more data, we'll have a better sense of what happens, but even knowing that we don't have all that data, Colin, any thoughts on a sense of maybe where the bottom could be?

Colin Moore: So we do the work based on discounting cash flows over time, so for reasons of trying to simplify the model, we have simply eliminated this year's earnings and cash flow from our models. That should have led to about, say a 10% correction in the market. It's different depending on the industry and the company but about a 10% correction in the market. As you know, we're now well past that, we're north of 20% declines in the US and over 30% in Europe. So, we're now beginning to discount there being long-term destruction of value and I don't see that can be occurring. The recovery rates may be different by industry, maybe faster in certain industries than others, airlines and cruise ships may take much longer to recover than some other businesses, but we are not coming across wholesale destruction of value in the long term at the aggregate level, in which case, I think we passed the discounting the one-year problem. We may not have reached bottom yet, that's hard to predict, but as we begin to discount more and more problems that are longer-term and structural, I get more confident that in fact we're going to see a fairly good rebound at some point.

Marcy Keckler: So you've touched on this a little bit, but you know, after the effects of COVID-19 pass or maybe we, we get to maybe what we'll call a new normal, how long do you think it will take the market to return to a sense of normalcy?

Colin Moore: I think the market as a general statement quite quickly, but I think the real interesting point is going to be how different sectors perform. I think it will be a while before people get back on a cruise ship, as I mentioned a few moments ago, but going back out to dinner, buying clothes again, we've seen the malls in China begin to repopulate. Now, we're probably in both in manufacturing and use of malls maybe at 75%-80% use in China but it's come from being virtually empty to building up again quite quickly. So I think the real key to thinking about how the market will rebound is not a generalization about V shapes and U shapes and L shapes, it's thinking of it sector-by-sector, almost business-by-business, as to what is the propensity of that business to rebound. And there are others where there probably is long-term structural damage. But then if that's true, maybe things like videoconferencing, etc., which is being used by businesses to avoid travel at the moment, that's maybe a permanent change and there's some real winners out of this as well.

Marcy Keckler: So now that we are in a bear market, would it make sense to buy equities whose share prices may rise during the next market rebound?

Colin Moore: Yes. I do think that. I wouldn't get off any long-term plan but there is maybe an opportunity. As we cross that 10%-15% line that I was talking about earlier about how you discount a really problematic one-year issue. I do believe you're starting to create opportunities now, but I would again encourage people not to just approach it blindly. You have to think about where the winners and losers are out of this. We like sectors such as managed care. As I mentioned earlier, there's going to be online gaming, there's going to be areas where videoconferencing expands, there's just going to be other businesses that do just get back to normal, but there are some, airlines, etc. travel that there may be either permanent or certainly long-term damage to, and just because the share price is down, that does not necessarily mean something's cheap if it's longer-term prospects have been damaged.

Marcy Keckler: David, we had a bull market for a long time, really a record time period. Will this bear market downturn last a long time as well?

David Joy: Well Marcy, I think it will last a little while based on historical experience, but I don't think it will certainly last as long as the bull market did, so let's put some numbers to that. We had an 11-year bull market, far and away the longest in history, and I recently took a look with dividends reinvested in the S&P 500, the bull market's return was roughly 400%, so it was an extraordinarily rewarding time to be an investor, particularly in the US equity market. So now we have fallen into a bear market just recently and we're down roughly 25% from the February 19th peak. If you look at the historical experience of bear markets, that's down 25% decline puts us very close to the long-term average of bear market declines in history. And particularly bear markets that are not associated with a recession. If a recession accompanies a bear market, typically the downturn is a little bit steeper, somewhere close to maybe 35%. But the recovery period is also a little bit elongated. I know we would all love to see markets bounce back very quickly, but I think there are a couple of things to keep in mind. Typically, the average non-recessionary environment bear market takes 40 weeks to recover all of the lost ground, so that's a time period over which the market is slowly getting its footing and then starting to climb back towards recovering what it's lost. If it's been associated with a recession, the bear market recovery is longer than. It can be as much as year, year and a quarter. So it's certainly not going to take as long as the bull market lasted, and the other thing to keep in mind is this, and Colin alluded to this earlier. We don't believe this episode is resulting in any structural damage to the economy. It's more of an acute episode that we will get through. It's going to be upsetting and it's going to be accompanied by a lot of unknowns yet, and it's going to be accompanied disruptions in lifestyles, but we will get through in what I'll call relatively short order, a period of months, not quarters, and certainly not years. And so I would expect that the recovery period for a bear market like this, which occurred very quickly, I might add. In fact, one of the quickest downturns in history. I suspect that that might imply that the recovery time might be shorter than normal as well. That remains to be seen. But if we're correct that we ended this market downturn with a relatively strong economy and that we think it's only going to be a temporary impact on both markets and the economy, and that we'll get through it in relatively short order, then I think there's a chance that the recovery might happen a little bit more quickly than long-term history would suggest.

Marcy Keckler: So our advisors are having lots of conversations with clients and they're getting a lot of great questions. And so one of the questions I want to ask you, David, that we're define hearing from some clients through their advisors is given the markets, should I rethink my diversification and my risk tolerance to help me withstand market volatility? What are your thoughts?

David Joy: Yeah, well the first thing I would say is diversification is doing exactly what it's intended to do in an environment like this. Think about it, yeah, equity markets are down, but the bond markets are up for the most part. Certainly, investment grade and treasury markets are higher on the (inaudible). Look at, for example, the broad-based index of US treasury securities, it's up 6% for the year. A broader index that incorporates corporate bonds as well in the investment grade universe, up roughly 2%-2.5% on the year, so diversification is providing the protection that it was designed to provide but just these types of episodes. I mean, if we knew that equity markets would do nothing but go up, you wouldn't need that diversification. But we know that that's not the case and we've been blessed with the longest bull market in history but we all know that sooner or later, we don't know what might be the trigger, but we all know that sooner or later, we would end in a market correction and ultimately in a bear market. We find ourselves there now and let's look at diversified portfolios. They're working as designed.

The other thing I would say is in terms of risk tolerance, this might be an opportune time, if there are individuals who are wondering whether or not their portfolio is right for them in the prism of this type of market volatility. This is a great opportunity to have a conversation with your advisor and just review that, to make sure it is appropriate. And you may discover probably in all likelihood that it is just fine and the portfolio is behaving as hoped.

But on the other hand, there's a chance that it might not be appropriate, that you've discovered that maybe I need a little bit less risk, or maybe I'm willing to take a little bit more risk now that prices are down. So this is a great opportunity from either more defensive or more offensive attitude towards the markets to have that conversation with your advisor.

Marcy Keckler: Another question that we have heard from some clients is the question of if my retirement account balances have dropped, how should I think about that right now to stay on the rack with my financial goals? Anthony, I'd love to get your perspectives on that question.

Anthony Saglimbene: Yeah, yeah. I mean, I think David and Colin have done a very good job of just highlighting not only the current environment but how it's affecting investments. And I think it's very difficult for as a client or as an investor, when you turn on the evening news and you see all of this extreme volatility in the market, I think you can get carried away and kind of lost in some of the volatility that you see every day in the market. I would kind of reinforce what David was talking about. Your portfolio is not the S&P 500, it's not the Dow Jones Industrial, it's not the NASDAQ. If you really are employing a mix of stocks and bonds and alternatives and cash, your portfolio is weathering the storm, what David highlighted. And that includes your 401(k). I would also express that your retirement account is built for the long term and it is natural, as jarring and as sudden as this downturn has happened, it is natural for markets to go through periods of dislocation, and it seems even more jarring when we've really not had a major drawdown in the market for 11 years, so I would look at your 401(k), I would look at the investments that you have in that particular retirement account, and I would make sure that my allocation, the funds that I'm investing are diversified, and that you are employing a well thought out, diversified strategy. And advisors can help you with that, so if you reach out to your advisor and even if your 401(k) is obviously not with us as a firm, you can reach out to your advisor and he or she can help you with managing those investments to make sure, like David highlighted, that you are looking at this market environment maybe as an opportunity or as a way to insulate some of the risk, and I'll talk about that in a moment, but this is really the critical time to stay on track and review all of your investments with your advisor.

Marcy Keckler: That's a great point, Anthony. Advisors are just terrific at helping look at client situation broadly and holistically and now is a great time to have those conversations. David, I have another question that we've heard from clients and I'd love to get your thoughts on this one, and it is if I'm already in retirement and so I don't feel like I have as much time for the market to recover, should I be rethinking my financial plan?

David Joy: Well, a couple of answers. First of all, in retirement, you want to tilt your portfolio a little bit towards income, perhaps slightly more so than maybe was the case when you were strictly in your accumulation phase. And what I mean by that is not so much overweighting towards historically classical fixed income or yielding-producing instruments, but just tilting the portfolio. So let me provide an example that might be helpful. In this environment with bond yields as low as they are, you're going to have to have some exposure to stocks over time. Portfolios are going to have to do some heavy lifting to deliver total return to compensate for the fact that bond yields are a lot lower thran many of us have been used to. So what that means in the stock portfolio is maybe tilt towards dividend-paying stocks, companies that have a history of increasing the dividends over time. And maybe some low-volatility stocks. But the point is don't abandon the equity markets because you're going to need to have exposure to drive some growth in the markets over time.

In the bond as you know and treasuries, yields are extraordinarily low. You get a little bit more yield in corporate bonds but not a lot, and at the same time, there are maybe even more attractive yields and below investment grade bonds or high-yield, but where we have concerns about liquidity in the low investment grade universe. So our performance is to have greater exposure in above investment grade bonds and treasuries and then for those who are in retirement, add to that an income characteristic or flavor, if you will, in your portfolio. But make sure that, again, this word risk tolerance, make sure that risk tolerance is appropriate for your temperament, for your objectives.

And then the last thing I would mention is be flexible in an environment like this if you're in retirement. The last thing you want to do, if you can avoid it, is maybe sell shares at a time when their prices are depressed. If you can avoid doing that by maybe altering your spending plans, delaying the purchase of a car or taking a trip, not that you can take a trip in the next several weeks probably with all the restrictions on travel, but my point is if you can alter your spending plans and avoid liquidating shares at depressed prices, you'll do your portfolio a big favor by extending its purchasing power and its value over time.

Marcy Keckler: Thank you, David. That's great advice and there's another related question, which is if someone says I've been planning to retire later this year, should I delay retirement? What are your thoughts on that?

David Joy: Well, there are a lot of decisions that go into that. You know, many of them are lifestyle decisions. I'm sure decisions that are made in consultation with loved ones. So it's a very personal decision, but at the same time, all else being equal, if you can delay retirement and continue to work through a period of a bear market, it allows you a couple of things. It allows you, number one, to avoid drawing down your existing assets, again, at perhaps depressed prices, and it allows you, so you're not drawing down that buildup of accumulated assets. At the same time, maybe if you don't live to the full extent of your income and you continue to work, you can add to it and take advantage of those depressed prices in a sort of dollar cost average sense. So that's a very individual decision but at least in just sheer financial terms, there are some benefits to delaying retirement until the bull market pass, bear market passes.

Marcy Keckler: Thank you, David. And you've already touched on this next question, but you may have some other thoughts. And the question is should I consider bonds for income or yield in this current environment? Any further thoughts you want to share on fixed income?

David Joy: Yes. Well, as we've all seen, the Federal Reserve has lowered interest rates quite sharply yesterday and then two weeks prior to this, and so interest rates in the US treasury curve are quite low, historically low in fact. And to the extent that other bond yields get priced off of the US treasury curve, yields in the rest of the fixed income complex are not very attractive.

Now, having said that, a couple of things to keep in mind. Number one, the diversification powers of bonds in my mind more than makes up for the lack of yield that you get, as witnessed by the fact, as I mentioned earlier, that at least in the investment grade universe, most bond indexes are higher year to date in stark contrast to the equity market, so that's one thing to consider. The other is you might say to yourself well gee, I can only get let's call it 2% in a bond right now. That doesn't seem very attractive to me. There is a chance that bond yields go even lower as the economy slows down, in which case there's also an opportunity for some price appreciation in the fixed income markets. Now, that remains to be seen but and some of that will depend on the depth and the duration of whatever economic slowdown we're going to get here. But you know, it's possible that the fixed income portion of your portfolio might provide you with a little bit of a growth of boost that you're not getting maybe at the present time from the equity side of your portfolio. So the answer is yes, you should maintain very good diversification, high-quality bonds are an important part of that, particularly for those in retirement, and maybe at some point we'll see higher yields down the road and they'll be a little bit more attractive, but their powers of diversification should not be overlooked.

Marcy Keckler: Thank you. Anthony, I'd love to turn back to you. Although this is certainly a challenging environment, as we've discussed, does it present any financial opportunities that investors might want to consider?

Anthony Saglimbene: Yeah. I mean, a lot of technical damage has been done to the market over the last couple of weeks, so most technical indicators are very oversold, but as Colin mentioned, I think a lot of that goes out the window right now. We need to see some leveling off in the viral outbreak here in the US. That's likely weeks out, so I think it's going to be very difficult to over the near term gauge points in the market that maybe you want to say all right, well this is the bond or this is the opportunity I'm going to move in. I think you have to put that to side. David mentioned that the markets are really incorporating a lot of negatively, and whether we're in a recession or not, Russell highlights that in a minute, doesn't really matter. The market has priced that in at this period. And what you see is that when markets do eventually find a bottom, when we do see a peak in the viral outbreak, when the panic selling and the dislocations in the market end, generally as David highlighted, over a period of time, markets recover. And I think that's how you have to approach opportunities in the market today and one of the best ways to do that is if you are following a diversified strategy, you do have a good mix of investments, stocks, bonds, alternatives, this is a way to look at dollar cost averaging as a way to dip your toes back into the market. Nobody can tell you where the bottom is. Right now the markets are highly volatile and I just don't think it makes sense to try to call those near-term timing parts of the market. What I do think makes sense is if you are employing a good strategy, this is the time if you do have cash on the sidelines, you may want to look at that and systematically put that money to work. I think over time, we will get through this temporary dislocation in the market. You don't have any major structural issues in the economy. This is not a financial crisis, so if you believe that we can recover from this temporary event and some of the social distancing policies that are put in place, stocks will recover. Colin also mentioned it's not maybe just a blanket statement across markets. I think what we're going to have to do is when an equilibrium in the market kind of forms, then we can look and say well, where are the opportunities? Where has value been created? And for stronger companies, this may be an opportunity to buy. I think right now really lean on your diversified allocation, your diversified portfolio, and if you aren't employing a systematic dollar cost averaging, you may want to talk with your advisor about employing one of those.

Marcy Keckler: Thank you, Anthony, and another question is in these conditions, what can investors do to gain more stability in their portfolios?

Anthony Saglimbene: Yeah. I think that's really probably top of mind for a lot of investors at the moment, and David mentioned one thing. High-quality bonds. So when you look at a portfolio today, you see all of the stock investments moving lower, well, on the opposite side, your fixed income prices are going up, yields are going down, the value of government securities are going up, the value of investment grade high-quality corporate bonds are going up, and they're helping mitigate and insulate the risk in your portfolio. A thing that we've been talking about for the last 6 to 12 months is thinking about if you haven't already, increasing the quality of your portfolio, so the types of companies that you're investing in, whether it's fixed income, whether it's equity. Look at high-quality companies as a way to get stability in your portfolio, stable balance sheets, or strong balance sheets, stable businesses, more predictable profit streams, low debt levels, those are the types of companies that you want to have in this type of environment. And companies that pay stable dividends is another way to gain stability in your portfolio, so I would focus on quality companies and a well-diversified mix to make sure that adding stability in my portfolio today.

Marcy Keckler: Thank you, Anthony. And another question that we've heard from some clients and we heard David touch on this a little bit earlier, would love to get your thoughts. The question is should I move out of equities and into cash?

Anthony Saglimbene: Yeah. That's probably the largest question on investors' minds right now and I kind of think back to the period of 2000 and 2008 where investors got scared out of the market, they capitulated enough that they just said you know what, get me out. And I think if you did that in those two environments, you probably found it very difficult to come back into the market. So if you kind of took all that pain and said all right, I want to just sit on the sidelines, you likely missed a recovery, you missed the opportunity to get some of that back, so I think when markets are as volatile as they are right now, your best approach is to sit on the sidelines, talk with your advisor, and make sure that you have the right plan in place, but often making large shifts to your allocation or major adjustments during crises in the market is not what you want to do. What you want to do is lean on that diversified portfolio. We talked about they're shielding some of the losses in the market better, and make sure that you have the right investments with the right allocation. Your advisor can help you with that.

Marcy Keckler: That's great advice, Anthony, and one related question is what if someone does need to sell some investments or free up some money to pay for an upcoming expense, whether that's college tuition or medical treatment or some other anticipated upcoming expense? What would you advise that people consider to kind of make the best out of given their current situation?

Anthony Saglimbene: Yeah, I mean, some costs are unavoidable and David mentioned just like delaying retirement is a way to kind of avoid drawing down on your portfolio, but if you do have expenses like college or medical expenses and it's necessary to pull from your investments at this time, definitely you want to have these well-designed strategy that can help match the current environment that we're in with maybe your unique financial goals. And certainly, an advisor can help with upcoming expenses that you may have, they can help, he or she can help manage cash flows for you, and they can help decide I think what's important is which accounts that you're drawing that money from. So does it make sense to draw money from an IRA? Does it make sense to qualified, nonqualified account? This is something that an advisor can help you with and I think it's something that's really critical if you do have to pull money out at this period, having a well thought out design strategy that an advisor can help you with is your best bet to help manage some of those expenses.

Marcy Keckler: That's a great point that an advisor can help and they can also coordinate with your tax professional, so that you can make sure you're making a move that's smart given the markets and your own tax situation, so great advice. Thank you, Anthony. Russell, we'd love to turn to you and pan back a little bit and talk about the economy. Can you give us your thoughts on what economic and market effects you think we should expect given social distancing that's being advised and other strategies that are being employed to slow the spread of COVID-19?

Russell Price: Sure, Marcy. I think it's fairly obvious that we're going to face a very difficult economic time over the near term at least. Economic activity for here in the month of March will likely start to show some of the significant impact of people avoiding either travel, tourism, even bars and restaurants and sporting events. That will add up quite significantly and be quite a negative pressure on the overall economic environment. And we expect to see most of the negative pressure to occur in the second quarter of this year, but if the general guidelines are that this is a relatively temporary situation, whereas conditions start to improve either as the weather warms. You know, there's certainly no guarantee of that. Or if improved therapies and pharmaceuticals are developed or eventually a vaccine is developed, we should expect to see economic activity recover and I think that the prospects for that recovery are pretty good because this is not a situation that we similar to what we experienced in 2008 and 2009 during the Great Recession. That was a financial crisis induced recession and those periods are typically longer lasting. History has shown us that. And they are more difficult because they wipe out, they create a significant dislocation in the financial system and also our monetary authorities, people like our Federal Reserve, the European Central Bank, the ECB, and other central banks around the world learned a lot from that process in 2008 and 2009 to where they are being proactive in this situation rather than waiting for problems to develop and seeing what they could do from there. So I think there's positive aspects to rely on and I think so far, those have been encouraging, and I think we will get through this with some difficulty but we will get through it in a relatively short period of time.

Marcy Keckler: So Russ, we heard earlier from both Colin and David about the relative strength of the US economy heading into this challenging period that we're in. But I was hoping you could elaborate a little bit on how stock prices reflect the overall health of the US economy.

Russell Price: Yes. I think that's key in this environment, too, Marcy is in every economy downturn post-World War II, one of the components that contributed to that downturn was that consumers had been overspending prior to the economy contracting. And eventually, people either debts become too large, they slow down in their spending, and eventually as they continue to slow down and pay down their bills, then businesses follow suit and we have a recession. In the current environment, however, as we are coming into this period of the virus becoming so prevalent, consumers are actually in very good shape. Consumer debt burdens are actually quite low, very low in fact, according to the Federal Reserve's Financial Obligations Ratio and other measures of consumer, consumer indebtedness. Consumers are in quite good shape. They've actually been underspending their means in recent years and that should provide for solid prospects for rebound once we get through this social distancing period.

Marcy Keckler: So given what you're seeing, do you feel, Russ, that we're heading into a recession?

Russell Price: I think by the time we get a designation, whether this is will have been a recession or not, the economy will very likely be on the upswing by that time. So I'm not sure worried about the terminology. I'm not so sure that we will see two consecutive quarters of negative GDP growth, that's the traditional measure of recessions, but 2001 they changed the definition, so now it relies more on things like changes in consumer income and unemployment and consumer spending on a monthly basis. We may very well meet the definition of recession in retrospect from those parameters because in the second quarter, we do expect the economy to contract quite significantly. But again, we expect to be on a positive track again by the third quarter as people come back out of their shell and participate in the economy once again.

Marcy Keckler: Thank you, Russ, and that's such a good reminder that the terminology is one thing but the overall environment and how we handle it is really another. So given that, could you share your thoughts on how the health of the global economy impacts the US economy?

Russell Price: Sure. I do think they're interrelated at this point and point in history given the globalization of the world economy. And since we are very likely to see very significant slowdowns in China and Japan and Europe and elsewhere around the world because of this situation, we are likely to have this period as designated as a global recession. Again, though, what really matters is the prospects for the ability of the global economy and the economy in each region to recover once the situation passes. And I do think that those prospects are still pretty good. Europe was growing somewhat slow before this situation came to more prominence, but I do think that the monetary authorities and they're likely to see more fiscal stimulus is likely to help them recover as we get out of this period. In China, I think that as much of the same as likely to be the case. They are likely to use monetary and fiscal stimulus. That is more government spending, more help from their central bank, lowering interest rates, providing more liquidity for their financial system. Just as we've been seeing here in the United States. So from a global perspective, we're all in the same boat to some degree right now, but I also think we're all in pretty good shape to be able to facilitate a recovery once this, well it should be a relatively temporary situation passes.

Marcy Keckler: Thank you, Russell. And as we get toward the conclusion of our conversation, I just want to ask our panel of experts if they have any final thoughts that they'd like to share or reinforce before we wrap up, and I will start with you, David. Anything you want to share in conclusion?

David Joy: The only thing I would say is stay in touch with your advisor. I know you're going to have questions. Markets will likely continue to be volatile in the short run, and different issues will arise. Maybe we'll a little bit more about the virus as we go along that will raise new questions or will begin to hear impacts in specific industries and different market classes. Speak to your advisor and maybe at a time like this, speak with them more frequently than you would otherwise, and make sure that you're well-informed because doing so is the best way to maintain a focus on the longer term, which is really I think the message that we've all been sending here today. This is clearly kind of a unique period in time but we think it's a temporary period, and that markets will recover eventually. So focus on the longer term and if speaking with your advisor helps to do that, so much the better.

Marcy Keckler: Thank you, David. Anthony, any final thoughts from you?

Anthony Saglimbene: Yeah, I would just reinforce what David said and one thing that you can lean for our advisor is our ongoing assessment of what's happening in the market in the economy. So between Columbia and Ameriprise, we are publishing daily our thoughts and perspectives on what's going on in the market. Your advisor is the best conduit for getting that research and getting our opinion, so even after this call, you have available resources that you can lean on to give you the I think the perspective that's not just the news, but hopefully, you gained over the day, over listening to this call, that there are perspectives and maybe a longer-term focus that gets lost in some of the news coverage. So lean on your advisor for our resources to help you make sense of what's going on.

Marcy Keckler: Thank you, Anthony. And Russell, any final closing thoughts from you?

Russell Price: You know, Marcy, these are very unusual times for us all, but one thing that history has taught us is that when there's uncertainty and unusual backdrop, especially for the overall economy, markets do tend to overreact. And I do think that at some point, we're going to see that. Maybe we are already seeing that and we just don't know it. But I think investors need to keep that in mind that keep it in perspective that yes, this is a very serious situation, yes, this is having a very negative impact on the economy over the near term, but the prospects are that it is likely to be a relatively short-term event, and beyond that, I think prospects for the economy should resume.

Marcy Keckler: Thank you, Russell. So Colin, any final closing thoughts from you?

Colin Moore: I agree with many of the other comments. I used to teach a little bit about behavioral science and I can people get very emotional about their own savings. Therefore, using an advisor as a sounding board about what to do I think is absolutely key. That's one point. The second one is try to think about this as a shorter term, whether it's two or three months, whether it's six or nine months, but a shorter-term event because that should determine how you react in terms of your savings and what you should do about it. I still am struggle to find any structural issues at the aggregate level, the total economy. I accept that there may be issues around the travel industry, etc. There's definitely going to be winners and losers here. But if there really aren't particularly good long-term structural concerns, then I do feel quite strongly now that the market has begun to over-discount the issue. Certainly, the short-term issue are much stronger than we initially thought, but we seem to have moved on to now thinking some of this is long-term and structural. I do not believe that is the case and therefore, I think there's an opportunity.

Marcy Keckler: Thank you, Colin. And thanks. I appreciate all the thoughts of our panel of experts today and thank you as well to all of our clients and their advisors who've joined us today. On behalf of all of us here at Ameriprise, we are proud to be a part of your lives. We're honored by the trust that you place in us to help you achieve your most important financial goals and dreams. Remember your advisor cares and is here to help and is supported by a team of experts. Your advisor knows you and your goals and is committed to helping navigate these volatile markets. Your advisor and our client service teams are available to meet and answer any questions, including by phone or online. We are not only thinking about your financial future, but the well-being of you and your loved ones, so please take care of yourselves and those around you.

Lastly before we leave, some important disclosures. The views expressed are as of the date given and they may change as market or other conditions change and they may different from views expressed by other Ameriprise Financial associates or affiliates. Actual investments or investment decisions made by Ameriprise Financial and its affiliates, whether for its own account or on behalf of clients, will not necessarily reflect the views expressed. This information is not intended to provide investment advice and does not account for individual investor circumstances. Individual securities referenced are for illustrative purposes only, subject to change, and should not be construed as a recommendation to buy or sell. An index is a statistical composite that is not managed. It is not possible to invest directly in an index. There are risks associated with fixed income investments, including credit risk, interest rate risk, and prepayment and extension risk. In general, bond prices rise when interest rates fall and vice versa. This effect is usually more pronounced for longer-term securities. In general, equity securities tend to have greater price volatility than debt securities. The market value of securities may fall, fail to rise, or fluctuate, sometimes rapidly and unpredictably. Market risk may affect a single issuer, sector of the economy, industry, or the market as a whole. Dollar cost averaging does not assure a profit or protect against loss. Diversification and asset allocation do not ensure profit or protect against loss. Dividend payments are not guaranteed and the amount, if any, can vary over time. Past performance is not a guarantee of future results. Ameriprise Financial, Inc. and its affiliates do not offer tax or legal advice. Consumers should consult with their tax advice or attorney regarding their specific situation. Investment products are not federally or FDIC insured, are not deposits or obligations of, or guaranteed by any financial institution, and involve investment risks, including possible loss of principal and fluctuation in value. Investment advisory products and services are made available through Ameriprise Financial Services, LLC, a registered investment advisor. Ameriprise Financial Services, LLC, member FINRA and SIPC.