

Take Control During a Recession

Everyone feels the effects of this current financial environment; no matter who you are or what you do.

When I look back, I can see that my family and I were fortunate enough to have many of our basic needs met. As a college student, I learned about “Maslow’s Hierarchy of Needs” which includes in order: physiological (breathing, food, sleep), safety (security of health, of employment), love/belonging (friendship, family) esteem (confidence respect of others and respect by others) and finally self-actualization (acceptance of facts, creativity, morality).

Maslow observed that when a person was hungry, thirsty, or physiologically unbalanced in some other way, that person would turn all of her energies toward meeting those deficiencies. Perhaps the food wasn’t caviar or lobster, or what the person was used to, but solutions were found.

Along the way you and I may also have met our higher needs for safety, love, belonging and perhaps self-actualization. Certainly we experienced disruptions such as job loss, divorce, income shortfalls and investment declines. Although when the “bad times” came – leaving us feeling downtrodden, alone, or depressed – this was how we “felt”. Our chosen feelings were not who we were, nor are they who we are.

Likewise, during this period of economic downturn (let’s call it what it is: a recession) we may confront feelings we do not like and conditions which disturb our own hierarchy of needs. We can choose to feel poorer and then to act poorer; we can act poorer toward ourselves and toward others; we can think less of ourselves because money is tight and we can lose sight of who we are – our core values.

On the other hand, we can choose to focus on what we can control; our feelings and our actions. You and I have very little control over the

economy itself. However, we can use this period of economic uncertainty to revisit the fundamental truths of financial security and to build a solid foundation that supports our needs. Sometimes, things work so well, we quit doing them. For example;

Spend less than you make. If you do not have a handle on what you spend, perhaps establishing a budget will give you a clearer picture. You can find simple budget worksheets at “About.com” or “BetterBudgeting.com”. You can control expenses.

Maintain Perspective. No doubt, this economic environment wreaks havoc on our psyche. Anxiety and fear pervade when we see a decrease in the value of our portfolios. Yet, you can counter this fear and gain a true understanding of your wealth. How will the decline (however temporary or long term) change your life? You may not feel happy, your investments may have shrunk, but your life is still intact.

Focus on life issues. Have you ever truly given yourself permission to dream? What matters to you? Where are you in relation to your family, your health, your lifestyle, your community, your spiritual self? “Put money in the context of life, rather than viewing life in terms of money”, said David Leo. Most of us don’t do enough of that.

Sometimes simpler is better. Maybe we have to postpone that cruise. When was the last time you walked somewhere and really paid attention to your surroundings. Sunrises, sunsets and rainbows are still free.

A friend once told me to give up all hope for a better past. However, the future is spotless. With patience and perseverance, we will get through this tough spot. You and I will look back on this as one of those periods where we learned how really strong and smart we could be by applying ourselves to the tasks at hand.

Have a wonderful Thanksgiving.

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