

Recession? What recession?

Mary and I travelled in August to Allentown, Pennsylvania, where Tommy, my brother, lives, to attend my nephew's wedding during the Labor Day weekend. Suzie, my sister, was there, too, so it was something of a family reunion for us. Plus, it was a nice break for Mary and me from the oven-like heat we had been having. Coincidentally, Jordan, my nephew, was stationed at Keesler Air Force Base as a meteorologist until just recently. Unfortunately, he and his new wife have now been exiled to Hawaii, where they will spend the next three years. The poor things.



My sister and her husband, John, live in Chicago. I took this picture of them at Jordan's rehearsal dinner. During one of our conversations over the weekend, Suzie asked me if she should be concerned about a recession in our economy. It's a great question, and I'm hearing it more and more from clients, friends, and my *Slidell Magazine* readers.

My answer to Suzie and everyone else has been pretty much the same: recessions are a normal part of the business cycle and we're likely to have one, but I don't know when it will happen, or how serious it might be. Nor do I know how long it might last, or what might happen to the financial markets.

On the other hand, whether Suzie and John should be concerned about a recession is an entirely different matter. Knowing what I do about their financial life and how they have spent their married years saving, investing, and protecting their money, and having a plan in place that matches their financial goals and time horizon, my guess is that they have little to fear. So, my advice to Suzie was that she and John stay the course and, when a recession does rear its ugly head, not panic. That's probably good advice for most people, assuming they have a plan in place.

When I started in this business more than 11 years ago, I naively thought that my clients had every right to expect me to know what was going to happen in the future regarding the economy, the financial markets, and their money. It didn't take me long, however, to learn that that was not the case for most people. My clients are smart enough to know that no one can predict the future. Instead, what they really wanted – after we talked about it for a bit – was someone who could help them figure out how to seek to make the most of their money, put a plan in place, try to keep them from panicking and making mistakes with their money, and figure out a way to turn their hard-earned money into an income stream for retirement.

I also learned early on that there are things we can control and things we can't when it comes to dealing with our money. For example, we can't control the economy, world affairs, the timing of recessions, the breathtakingly stupid antics of some of our elected officials, and a host of others. However, we are in complete control of our reactions to these things, how we manage our personal finances, and how we plan for the future. I'm not saying that, by doing the following, you'll be recession-proof, but they might go a long way to helping you sleep better at night when the next financial crisis du jour comes. Consider the following common sense financial moves:

1. **Make sure you have emergency money.** Other than procrastination, few things are more devastating to a long-term financial plan than to be forced to stop it or raid your retirement fund to pay for a short-term emergency. Just a few hundred dollars in an envelope in your desk drawer might be enough to take the edge off an emergency.
2. **Save more, spend less.** Need I say more?
3. **Protect what you have.** Life and disability insurance are must-haves for most families. A strategy for paying for long term care is important for your retirement years. There are lots of ways to deal with this. Talk with me to learn what might work for you.

I've been writing these articles for more than ten years, and my guess is that a lot of readers have said to themselves, "You know, this guy makes sense, and I need to call him." My guess, too, is that some readers have been saying this for all of the ten years that I've been writing. If you are one of them, it's time to act. I'd call you myself, if I knew who you are, but I don't, so help me out here. Pick up the phone and call me for a complimentary appointment.

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