



## 9 Steps To Thrive In A Slowing Economy

Increasingly, it looks like the U.S. economy is intrinsically strong but not the economies of our trading partners and international customers. In addition to economic weakness in the Euro zone, there's the Arab Spring and its likely impact on oil prices, as I mentioned in my earlier commentary on the possibility of a sharp spike in oil prices. We now also have more evidence that the so called growth economies of China and Asia are feeling the strain of rampant inflation in basic commodities such as food and sky high real estate prices that are putting a damper on housing construction. As a result, the U.S. economy will likely grow more modestly and job creation and salaries and benefits in the U.S. will continue to be constrained. So, it appears more and more that we will see slow but sustainable growth in the years ahead... some say possibly for another decade.

How then should you position yourself to get ahead despite slow economic growth scenario? Here are a few steps to help you combat economic sluggishness and still come out ahead.

1. Pay down your debts. Basically, your money in the bank isn't doing much to add to your wealth. With interest rates near zero, your savings are not even keeping up with inflation. So why have that money lose value? Instead, use your spare cash to pay down debt. And let me emphasize, it's your spare cash I am talking about, not all your savings - because you must stash away for a rainy day, should you get laid off or otherwise suffer a loss of income.
2. Think Like a CEO. You really are CEO of your own family. And like all good CEOs, you cannot afford to be blind-sided by unexpected events. In fact, more than a corporate CEO, the head of a household with children and dependents has a lot more to lose if things go awry unexpectedly. So always keep your ears open, understand early warnings such as pay freezes that may signal layoffs or trouble ahead, and plan your finances for all eventualities. And like all smart CEOs, anticipate and address problems before they take you by surprise and threaten your financial well being.
3. Recalibrate your lifestyle. I've often mentioned this in my commentaries. When times are tough, do what's wise - downsize your needs, make do with less, shun extravagances and save as much as you can. You can do this very simply by cutting down on lattes by brewing coffee at home (a \$5.99 pound of home-brewed coffee can save you hundreds of dollars when done consistently), stretching out

the life of your car, or say, buying a second-hand car with low miles instead of getting a new one, packing a healthy snack and carrying your own soda as opposed to eating out at work, fewer trips to the mall, and so on.

4. Set aside your ego, forget about status. This is tied to the point above. Most of us spend a fair amount of our hard-earned money trying to impress other people – be it designer clothes, a swanky car, or meeting them at a fancy restaurant. Now, I am all for living a good life if you can clearly afford it. But why buy a million dollar house or a BMW when you really can only afford a \$500,000 house or a Honda? What’s more, many of these status investments rapidly lose value over time and contribute nothing to your retirement portfolio or real quality of life. So shun status and go for real savings.
5. Invest by buying low. A beaten down economy offers tremendous investment opportunity. Many times, sellers that have not been financially disciplined end up selling their assets dirt cheap, and quite often well below even their intrinsic value. If you’ve been good about saving cash, as I hope you have, then a downturn is a great time to buy anything - beaten down stocks, discounted equipment, foreclosed property, distressed businesses, and so on.
6. Invest in yourself. If you have the time and see dark clouds ahead in your field of work, then beefing up your skills is always a good idea – so do a few relevant courses – cross-training, as it’s called - so you have more to offer on your resume, should you have to re-enter the job market. For example, a lot of companies seek Internet and computer savvy individuals in these times, so make sure you learn key technical skills such as Internet marketing, programming, mobile application development, or professional programs such as QuickBooks that could help you in the workplace.
7. Learn to work on the go. Many companies look for ways to reduce costs in a slow economy, with many preferring work-from-home employees to reduce office expenses. So get a little computer savvy and see how you can leverage things like free wireless networks at coffee shops. In addition, get familiar with online job forums that offer part time and remote working options, so you are prepared should the need arise. In any case, if you have the time, you could easily supplement your income by taking on work-from-home opportunities sitting right at home, and plow these additional savings aside.
8. Volunteer. Here I mean volunteering for professional gigs. Like helping out at a day-care, or at a startup using your existing skills, or perhaps even at a local library or school – because sometimes, these internships build valuable contacts and help you learn new skills.
9. Position yourself for success. Consulting firm McKinsey and Company predicts that six fields – namely, healthcare, business services, leisure and hospitality, construction, manufacturing, and retail – will see the most job growth in the coming decade. So if you’re at the stage where you can switch fields, consider

getting into one of these six fields so you have above average job prospects and pay.

Follow the guidelines above, and you will have a healthy bank account, which in turn will finance investments in beaten down assets such as stocks or property. And give you far more peace of mind, good health and happiness in the long run.