

Recovery from Recession

We have all heard the old adage that the person who does not learn from the past is destined to repeat it. The character forging lesson learned by those that survived the Great Depression of the 1930's was to save for a rainy day. What lessons will you take from the most recent 'Great Recession'?

The reality is that many people have been affected whether directly through unemployment

or a squeezing of the family budget and/or declines in your retirement savings. For some, human nature would cause them to do nothing in fear of making it worse. As stated by Ken Grant of Waterstone Private Wealth Management, who was one of the speakers at the Owasso Economic Summit last month, "doing nothing is not a financial strategy, it is an emotional state of mind." He referenced a deer caught in a car's headlights in the middle of the road. How does it work out if the deer freezes and does nothing? Investors do not have to suffer the pains of indecision if they follow these four steps on their road to recovery from the 'Great recession'.

1. Become informed and adjust your Goals. "Now more than ever, it matters....Where you are invested and Who you trust." Is a message that Grant and his wife, Melanie Hasty-Grant, repeatedly have shared in recent interviews with the national media such as Fox Business, CNBC, Reuters, and the Associated Press.

People need to take inventory of what



Ken and Melanie Hasty-Grant, Waterstone Private Wealth Management

spend money you don't have seems cliché but this very behavior is at the root of the current economic concerns we all face today. Debt itself is not the enemy, too much debt is the problem at hand. Grant encourages everyone to take a real look at your household budget to make sure you are spending money on what it is that is most important to your family's values and inline with your goals. "Everyone should have an emergency reserve in an account so that you can weather the financial storms that will come." You can also look into refinancing your mortgage if current rates are significantly lower than what you are paying as well as look to consolidate debt.

3. Get a 'Stress-Test' on your investment portfolio so you have an idea of what will happen in various economic conditions. This is exactly what the Government made the Banks go through prior to receiving additional support. What will happen in a strong or weak US Dollar, zero inflation through hyper-inflation, a Range Bound Market versus a cyclical bull or bear markets. "This type

of analysis is part of the normal services we offer our clients. It allows them to have a better understanding of what news to listen to versus being concerned with every headline." according to Grant.

4. Match your Retirement Goals to your Investment Strategy. Adopting a flexible or tactical strategy to better adjust to the volatile global markets and their impact on your retirement horizons is recommended by Waterstone. All investments, including being in cash, have risk (loss of purchasing power due to inflation). The timeframe for when you need to access your savings determines which risks are more of an immediate concern. Melanie Hasty-Grant advises investors that "the past decade has not been lost if you had the ability to reap dividends and preserve capital by moving out of the way of the economic psuenomy wave caused by the global markets and financial crisis." Buy and Hold and just hoping you will be okay is no longer a strategy you can afford. "We still believe in buying quality positions but in a tactical manner that allows our clients to be flexible in today's ever changing market place." said Hasty-Grant about protecting her client's assets.

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The real lessons to be learned are that you do not have to be frozen in the middle of the road when it comes to your family's financial stability. Take control by becoming informed, use fiscal discipline, adjusting to an ever changing world, and align your actions to your family's values and goals. Darwin's Survival of the Fittest did not mean the strongest or biggest bank balance wins.

It refers to those that can understand what is happening and can adapt to change have the best chance for survival. Make sure your family not only survives but maybe even thrives.

No strategy ensures a profit or protects against loss. There is no guarantee that having emergency reserves will weather any financial storm. Please talk to a mortgage lender for mortgage-related advice. Tactical investing involves active management, continuous rebalancing and short term trading. There is know way to determine the "right" entry or exit point to or from a certain asset class. The opinions voiced in this material are for general information only and are not intended to provide a specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance referenced is historical and is no guarantee of future results. Ken Grant and Melanie Hasty-Grant are registered representatives with, and securities offered through, LPL Financial, Member FINRA/SIPC. No other individual named in the article is affiliated with LPL Financial.