



The Economic Crisis!

By Dr. Linda Hancock

ABOUT THE AUTHOR

Dr. Hancock has written a regular weekly column entitled “All Psyched Up” for newspapers in two Canadian provinces for more than a dozen years. Over the years, her readers and clients have said that they have benefited from her common-sense solutions, wisdom, and sense of humour. Dr. Linda Hancock, the author of “Life is An Adventure...every step of the way” and “Open for Business Success” is a Registered Psychologist who has a private practice in Medicine Hat. She can be reached at 403-529-6877 or through email office@drlindahancock.com

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The world has been on a huge economic roller-coaster ride over the past few weeks! News media blame mortgage meltdown in the United States but I believe that its history goes back to earlier times.

When I grew up, we paid cash - and if we didn't have cash - we didn't buy anything. I remember the first time that I heard of a credit card and all the promises it offered. It didn't take long until everyone had one or two or ten!

The "paperless" monetary system that resulted allowed individuals to buy things that they didn't need with money they didn't have (often to impress people they didn't like). This was followed by a change in the entire banking system. Debit cards were used regularly to buy items as inexpensive as a cup of coffee. In fact, we seemed to have lost the entire concept of spending only what we had earned.

Lifestyle moved from living "hand to mouth" to living in a luxurious manner. Instead of planning the trip of a lifetime, we travelled several times a year - all on credit. When interest rates rose, we just complained. Rather than living in adequate houses, we purchased dream homes! Our vehicles became more than a means of transportation and instead were purchased as status symbols. Children began carrying around cell phones, digital cameras, iPod's and MP3 players - just because.

Well, things have changed. The United States experienced a meltdown because mortgages were given to people who did not have the means to repay them. Banks gave out the money without much thought for how this would affect the future economy. And now, the fantasy that we have experienced has had a huge crash with reality!

The markets are doing a break dance that is alarming to watch. Stocks are plummeting in value and some people are in crisis as they fear that they are losing everything that they have invested in throughout their lives - including their pension funds.

But there is good news! First of all, we are now facing the reality that accompanies good planning. People are starting to walk instead of driving in order to save gas. This is a recommendation that has been given by doctors and health professionals for years. We enjoy better health when we exercise!

Some businesses have moved to a four-day workweek to save gas and employees are therefore able to enjoy more leisure and rest time. This is a direct contrast to the workaholic attitude that society has touted for years.

Families are examining their spending patterns and cutting back on the financial recklessness that has dominated their households.

The economic turbulence that we are experiencing is part of a cycle. Cycles change with time. Some of the best advice that I have heard lately is to hold on and wait for things to change. They will change.

Right now, my pension portfolio has a set number of shares, each of which is worth less than they were two months ago but I still have the same number of shares. Their value, which has decreased, will increase again if I hold onto them. But if I sell them, it will be at

the reduced rate and then they are gone. All the financial problems are on paper. Your portfolio is intact - but at a reduced value but it will change. Take heart.

Instead of focusing on what we don't have or might lose at some time, let us focus on what we do have - like food and shelter and family, friends and faith. Those are the most important values!