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Lynn's Top Five Extraordinary Times Call for Extraordinary Care

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Lessons Learned from the Past: that could also be the title for this column. We are living in extraordinary times. Times we probably would have preferred to miss! However, we also have the opportunity and in fact the NEED to put our choices under a magnifying glass and use this as a chance to make some key changes in the financial decisions we make --- choices that will not just benefit us today, but could set a good tone for us in better times as well.

Those of us from my generation have frequently made a bit of fun of our parents and grandparents regarding their very cautious ways --- driving cars for 10 + years, recycling rubber bands from the newspaper, rinsing aluminum foil and reusing it again --- I'm sure you have your own family favorites! But what we forget when we tease them about these habits, is that they lived, or their parents lived through an extraordinary event: The Great Depression. In the news, everyday, pundits are comparing these times we are in to that moment in history. Only time will tell if they are right --- we certainly hope that this experience falls well short of that --- but there are lessons to be learned about thrift, recycling, not being such a disposable society, and just common good sense.

1) Find ways to spend less. In our hurried, harried life we often do what is expedient, and not thrifty. If you invest time in spending less, it's the same as earning more --- except tax free! Don't buy things you don't really need. Shop around on-line or via newspaper ads for bargains on what's essential. Defer big

ticket items until truly needed, instead of wanted. If you have children, make it a game and get them involved, too! This will have the added benefit of giving them a lifetime of good money management skills and intuition.

2) Find free or inexpensive ways to play. This is a great time of year to visit the beach, go for a bike ride, make a picnic and walk the dog in a new park you've not explored yet. Do it! Get out all the toys you've accumulated over the years and use them. Note to myself: Lynn, clean off the 20 year old canoe and take it to the reservoir --- see you there!

3) Don't stop investing. If you are enrolled in your 401(k) or other plan at work, or if you simply have your own savings plan, don't stop adding while the markets are down unless you must to make ends meet. The dollar cost averaging you are doing now during these down markets is like walking into Nordstrom and finding all your favorite stuff on sale at a HUGE discount! What you should do is carefully review your current holdings and where your new money is investing to be sure it's the makings of a sensible long-term, high quality, portfolio. Quality is the key - high quality never goes out of style for long!

4) Don't panic! It's tempting to pull everything out and put it in cash. Unless you have very short-term need of the funds, you could be hurting yourself more than helping. This is especially true in your retirement accounts.

5) Be charitable, but maybe give time instead of cash or assets. Not everyone can afford to give money, stock and other assets to charity, though most of us can certainly find a way to help out the local food bank, for example, or pitch in for Toys for Tots. This is a good year to volunteer your time if you can't help with your checkbook. And this provides a super opportunity to give your children a chance to participate and see what a difference they can make. You can call a family meeting and have your kids, grandkids, friends and even colleagues help with ideas and organize participation --- and carpool to save gas!

Just remember, these extraordinary times will be looked back on someday and provide lessons to future generations. You'll have a lot to share with future generations --- if they listen any better than we did! And yes, someday we might just remember these as "the good old days!"

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