

WHAT IS A RECESSION?

And how does it affect your life?

A recession is a period where the economy is declining in performance, displayed through high unemployment rates, low production and financial struggle across the population.

Recessions are caused by extreme and widespread spending, societal shocks like the pandemic or federal interference in the economy.



What implications could it have on your community's everyday life?

- Financial and mental stress
- Potential job loss
- Decrease in disposable income

Preparation and education can be key in moderating the effects of a recession.

PREPARING FOR THE UNKNOWN

BUILD SAVINGS

Aim for a minimum amount equal to 1 month of savings

INVEST IN LONG TERM ASSETS

Like a 401(k), which is built to weather economic fallbacks

SAVING AND BUDGETING

What can you cut out to find new savings?

PAY DOWN DEBT

Focus on reducing credit card balances

DURING UNPRECEDENTED TIMES...

- Look into refinancing debt for lower interest rates
- Cut back on discretionary spending
- Leave your money in long-term investments

There have been 12 recessions since 1945.¹

¹Roos, Dave. "How the US Got out of 12 Economic Recessions since World War II." History.com, A&E Television Networks, 29 Apr. 2020.

"Be greedy when others are fearful and fearful when others are greedy." – Warren Buffet

A recession lasts less than 17.5 months, on average. ²

It may be hard to see the light at the end of the tunnel, but historical data shows that recessions end and economic expansion usually returns.

If you find yourself with extra income, a recession is usually a good time to invest in depreciated assets. These include:

STOCKS



BONDS



REAL ESTATE



This is also a reason why it's beneficial to have access to capital. When you buy stocks, bonds or real estate at a discount and then the markets recover, your savvy purchases could lead to building long-term wealth.

For other creative ideas on how you can weather an economic recession and diversify your portfolio, contact our team to learn more.

Need help adjusting your investment strategy? **We're here to help.**

² [Burrows, Dan, and John Waggoner. "Recessions: 10 Facts You Must Know." Kiplinger, Kiplinger, 21 Apr. 2022.](#)

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