

The State of Our Economy

Employers and employees alike express concern about the condition of our economy. During the past 17 months (Oct. 9, 2007-March 20, 2008) the S&P 500 stock index fell 51.7%. While the S&P500, an unmanaged index of 500 widely held stocks is considered to be a generally accepted representative of the U.S. stock market (and therefore, a fair indicator of the U.S. economy), one wonders if the NASDAQ might be steadily becoming a more accurate choice. Since most Americans today are employed by companies that have fewer than 100 employees and since the NASDAQ represents approximately 3000 mid-sized and smaller companies, it may cause one to wonder. If so, it's especially important to understand that the NASDAQ list of stocks has fared worse than the S&P 500 index.

This is important, as well, when we consider the size and make-up of the companies and organizations for which we are providing financial educational courses. It's also important to anticipate where all of this may be taking us. At the Institute, we are actually receiving more requests than ever for financial education within companies. It seems that more people are looking for answers. One of the big questions that we are asked is: What does the future hold? What does this mean to my retirement plans? While these may not be easy to answer, a few things seem obvious.

- People need to slow down and re-calculate their *real* retirement needs. This, of course is a number that most people have no idea how to calculate. This is a strong reason to have financial education in the work-place.
- Many people will need to wait longer to retire. Calculating the *amount needed* for retirement as opposed to *when* a person wants to retire may be more valuable.
- Some people may want to consider working part-time for a while during the early part of the retirement years. This may actually help a person to stay in better shape, better disciplined and more involved with friends and associates. It may actually help to provide a healthier and happier life.

The U.S. Intelligence agencies report, which was distributed toward the end of 2008 may provide us with a glimpse of the future that might give us more reasons to ease into retirement, rather than getting in a hurry. These are a few of the report's suggestions concerning the future.

- There will steadily be a greater financial separation between those people *with* and those people *without*.
- Our ability to deal with medical issues and costs will exacerbate as we age.
- Technology will fail to keep pace with failing oil and gas supplies.
- We will begin to realize a greater scarcity of resources, along with more competition.
- There will be nuclear proliferation and conflict.
- By 2025, China and India will be equal in power with the United States

While none of these forecasts sounds palatable, they point out specific reasons for why we need to take better care of ourselves, both physically and financially. Companies and their employees need the support and expertise that Heartland Institute instructors bring to the workplace more than ever before.

All publication can be downloaded by clicking the links below:

The **first article** that we've included in this newsletter deals with financial anxiety. Written by Phyllis Korkki, it is called, "[How to Quell Financial Anxiety](http://www.nytimes.com)" and is from the NY Times website (<http://www.nytimes.com>)

The **second article** suggests that telephonic coaching is valuable. This is especially interesting since the Heartland Institute partners with CLC to provide telephonic coaching for employees. The article is titled "[Study says telephonic health coaching pays off](http://ebn.benefitnews.com)" and is from the Employee Benefit News website (<http://ebn.benefitnews.com>)

Book Review:

Rebecca J. Travnichek, PhD., AFC®, of the University of Missouri Extension had some good things to say about "[Delivering Financial Literacy Instruction to Adults](http://www.afcpe.org)", by Garman and Gappinger. This Book Review is from the AFCPE website (<http://www.afcpe.org>)