



BalanceWorks® Newsletter

Written by the work/life experts at **eni**.

Facing Economic Fears

News of a potential economic downturn has begun to surface in the beginning months of 2008. Early in the year, we saw the stock market slide, the declining housing market breaking records, and began to hear whispers of a coming recession.

It appears that our economy is slipping, and for many of us, especially those who haven't made preparations for financial emergencies, or who are still struggling with mounting debt and mortgage payments, this could present a real and tangible fear.

Whether your spending is out of control, your savings not being given the attention it deserves, or your financial decisions made without counsel, you need to admit where your mistakes exist in order to correct them. You need to make a plan.

For more information or advice about Financial Planning, contact the work/life experts at **BalanceWorks**.

1.800.327.2255

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When the market drops or spikes, ask yourself these questions to analyze your pressure points.

What's my plan? If you've worked with a financial planner, you should be able to articulate those goals by yourself or refer to an investment policy statement you made together.

What's my risk tolerance? At your first meeting with a planner, you should have discussed a number of questions about how you handle risk and what your expectations were about investment returns.

Am I prepared to stay invested – no matter what? We all remember the "Tech Wreck" of 2000. At the worst of that downturn, investors bailed out of the

stock market or drastically cut back, only to get back in after they were “convinced” that the market was rebounding. In reality, they missed out on stock market gains during the early stages of recovery, and that’s costly in the long run.

A financial planner will devise a financial strategy that matches your risk tolerance and long-term financial goals. There is absolutely no way to guarantee that you’ll never lose money. But if a plan truly matches you, the noise shouldn’t make a difference, particularly if you don’t need the money today.

Am I diversified? The NASDAQ lost 39 percent of its value just in 2001 and another 21 percent in 2002. Meanwhile, real estate investment trusts, which performed poorly in 1998 and 1999 when stocks were booming, had banner years in 2000 and 2001, performed so-so in 2002 and had an excellent 2003. Your planner, based on your risk profile, should have you in diversified investments that fit your goals.

Do I still feel the same way I used to about returns? Having a long-term investment plan doesn’t mean make the plan and leave it to gather dust. You and your planner are a team. Both of you should talk and decide when it’s time for a detailed review of your investment goals and whether or not they should change.



An annual conversation makes sense if nothing’s going on, but life events like death, divorce, kids moving out, and illness are good reasons to do a head-to-toe review of a financial plan.

If you’re worried about what might happen, there’s no reason why you shouldn’t call your planner to calm your nerves and confirm what you’re doing. And if you’ve never talked to a planner before, now might be the best time to start. Stay confident, don’t panic, and begin to make the smartest decisions for your long-term investment.

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