

Planning can ease recession fears

By: Adam Rodewald

Central Wisconsin Sunday

March 23, 2008

Local families should brace themselves for rough financial times as the nation's economic downturn ripples into central Wisconsin, according to a local economist.

Even though the crux of the recession -- the housing market mess and soaring energy costs -- began largely outside of Wisconsin, the aftereffects will hit locally, said Randy Cray, economics professor and director of the Central Wisconsin Economic Research Bureau.

Demand for goods and services will decrease, resulting in reduced hours for employees or layoffs, he said.

The exodus of jobs has already begun.

Paper producer Domtar announced in December it will close its Port Edwards branch, putting 500 people out of work. About 130 workers in Neillsville will lose their jobs this summer when Leeson Electric Motors Plant, a division of Regal Beloit Corp., moves to Mexico.

Others will feel the impact through rising gas and grocery prices, Cray said.

Georgette Frazer, financial adviser with Lifetime Financial Services LLC in Marshfield, said people should first ensure their assets and income are protected through insurance, powers of attorney and health care advance directives.

"It's kind of like that proverbial simmering pot. Those are the things that turn up the heat on you on a day of crisis," she said.

People should also review their tax liability and debt management in order to take advantage of tax breaks and low interest loans, she said.

Creating and maintaining a spending plan also will help, said Connie Eisch, family living educator for the Wood County UW Extension office.

"We don't really just sit down and say, 'Where can I save \$15 to \$20 dollars per month?'" she said.

Some good can come from tight pocketbooks, Frazer said.

"In a way, these tough times are opportunities to ... explore the anxieties we have over our finances," and make changes, she said.