
OMG It's An Economical EARTHQUAKE! What To Do From A Financial Planner's Perspective...

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Special thanks to [William Jordan](#), our favorite [Orange County financial planner](#), for taking time out from his hectic week to help **educate our clients** on what is REALLY going on with the **economy** right now. Mike & I highly encourage all of you to call your financial advisors this week, and if you don't have a financial advisor, go and talk to William at his Laguna Hills office - he rocks :)

It's an earthquake!

This week, the financial markets were shaken with an earthquake unlike almost anything we have seen in our lifetimes! The one similar example is the infamous "black Monday" on October 19th, 1987. On that one day, the stock market dropped over 500 points for the first time ever. A decline of more than 25% which dwarfs the declines we saw this week.

So what do we do? Panic? Run for the hills? Convert your cash to gold and start buying ammunition? Of course not. But to hear it discussed in some circles, that's exactly what should happen.

On Monday evening, I was interviewed on CNBC in the midst of the "AIG crisis". Yet another massive financial firm experiencing financial duress. I was asked what my counsel was to people who have been told to "buy and hold". The point I made was that this is a call to arms for people to get their financial houses in order. Too many people have been speculating financially, and the results are as we have seen.

For many people, including most of my clients, this was an expected though unwelcome event. We know that bear markets and financial downturns will happen. *In fact this bear market has currently been less severe than the average bear markets we have seen in the past!* It certainly doesn't feel like it, but it's true.

So what do you do? For starters, **do a complete financial physical on where you are at**. You need to **examine your assets as well as your debts**. Look in detail at your investment holdings, and decide if you need to make changes. Don't make changes for just any old reason, but with a *practical and well thought out plan*.

As I pointed out in a [separate CNBC appearance](#) a month ago, this is a great time to sell highly appreciated assets and pay capital gains. Those tax rates are still very low historically, and are likely to rise in the future. You can use the proceeds to pick up some excellent investments that are trading well below their values.

Bottom line is, like in any earthquake, don't panic! Stop and pick up the pieces. **Make new plans** moving forward, but make them with a **clear mind** and **well thought out** options. It's a perfect time to **meet with your financial planner** if you have one, or find a new one if yours isn't up to the task.

Earthquakes happen. Those who are prepared and don't panic will be okay.

William Jordan, President of The Sentinel Group, Inc, is a well respected speaker and media resource for quality financial advice. He's been interviewed by CNBC, Forbes, The Wall Street Journal and was a featured financial expert in Kiplinger's September cover story. You can reach William Jordan at (949) 380-8600 or visit www.SentinelOC.com.

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