



5 things to do in the downturn

If you find yourself out of a job or worrying that you're about to be, you have better things to do with your time than fret. Reflect, rebalance and branch out instead.

By John Dyer, MSN Money

When White House Chief of Staff Rahm Emanuel said, "You never want a serious crisis to go to waste," he meant the government should seize opportunities for change in the economic downturn.

But his logic applies to people, too.

Consider Susan Gerould and other members of the Medford Historical Society in Massachusetts. They were preparing an exhibit of Civil War photographs recently when they realized they had taken Emanuel's advice to heart.

"We were all painting, and we looked around," Gerould said. "All the people in the room had free time because they were unemployed."

For decades, nearly 3,300 Civil War photos -- the fifth-largest private collection in the United States -- had languished in the society's archive north of Boston. The nonprofit's volunteer members were always too busy to mount an exhibit themselves, even too busy to raise the money necessary to hire a professional curator.

Then the economy soured. Gerould's graphic-design work evaporated as publishing houses stopped calling. The publishers had been sending more work overseas in recent years, but with the downturn, Gerould's business went off a cliff.

"It was a permanent alteration in our employment," said Will Tenney, Gerould's husband and business partner.

Gerould, Tenney and other downsized society members had always wanted to share their rare photos with the public. Here was their chance.

They decided to organize. First they built an inventory of pictures of slave quarters, Union gunboats and other historical scenes. Then they erected gallery walls and wired new lights. They found scholars who determined the provenance of the images.

"Everyone was so committed, or at least as committed as if they were employed in a job," Gerould said.

The result is "Of the People: Faces of the Civil War," an exhibit running through April 26. Surveying the gallery recently, society member Jim Kiely had a wry smile. Noting that he had lost his job at a biotech company in February, he observed, "The show was made possible by people who were laid off."

Want to follow the Medford model?

Below are five ideas that might help you find the upside in this downturn:

1. Reflect

Now is the time for introspection, says Tom Reen, a Boston-area life coach. During the boom, working 24/7 was easy. But that lifestyle feeds economic bubbles and leads to burnout. The downturn is a chance to discover what you really want out of life and what you need to change to achieve your goals.

"People need to go really deep into the layers of what they're doing day to day," Reen said.

If you're jobless or expecting to lose your job, you'll be understandably fearful, he warned. Don't succumb to that anxiety. Instead, talk to friends and family, or write in a journal, he advises. Articulating fear robs it of its power.

"After you take stock and process things and come out on the other side, it's like you're climbing Mount Everest and you're at base camp," Reen said. "Now you can try new things."

What dreams have you been harboring? What unfulfilled ambitions haunt you? Yes, everyone needs money. But if now isn't the time to write that novel or learn Chinese or start a business, when is?

"You don't want to be at the point where you're 60 years old and you didn't follow up on something," Reen said.

2. Lose liabilities, gain new assets

Financially speaking, be creative, said John Osbon, an investment adviser in Boston.

"This is a time to clean house," he said. "If it isn't supporting you, get rid of it."

Waiting for your Citibank shares to return to their 2005 value? You're wasting your time. "The stocks don't remember what you paid for them," Osbon said. He suggested taking a fresh look at present investments and comparing their upside potential to other opportunities. Many investors will find better options.

"This is Day One," Osbon said. "You will be buying things at generally half the price they were a year ago."

If you're creditworthy, think about real estate. Gerould and Tenney could devote time to the historical society because they own a five-unit apartment building and recently dumped their savings into another rental property. Money is still tight, but they have income.

"You should own property now for the same reason you should own stocks," said Osbon. "There's a giant 50% sale."

Don't have the funds for new investments? Homeowners can switch to a biweekly mortgage payment. Over the long term, the savings on interest can be significant, Osbon said. And don't forget that tax losses carry forward; investors can use this year's losses against future years' tax bills. Yes, they're losses, but on your tax return, they have value.

3. Hang a shingle

Abran Smith received an MBA from the prestigious IESE Business School in Barcelona, Spain, in 2007. A year later, Bear Stearns handed him a pink slip. It was a massive blow to his ego.

"This was a place where I wanted to grow and retire from," said the 30-year-old Stamford, Conn., resident.

Most of Smith's co-workers immediately hit the phones to find new jobs. But for him, something wasn't sitting right.

"I felt extremely insignificant," he said. "I became really disenchanted not only with the banking sector but with corporate America in general."

So Smith became an entrepreneur. Tapping into his severance, he and a business school pal started Eatricious, a Web site that provides nutrition information on recipes and restaurant dishes. "There's a huge health-conscious population out there," he said. "If the calories were posted on menus, restaurant patrons would eat so much healthier."

Smith still consults on the side for cash. But with a handful of clients for his Web site already, he bets he'll be ready for the upturn. "This is a great time for startups," he said. "If you can stick it out for a year or two, there will be ample opportunity."

4. Plan to bond

Don't assume a bunker mentality. Are you watching more television? Sleeping later? Drinking more? Avoiding friends and family? If so, you need to take action, especially networking, advised **Christopher Palmer**, a psychiatrist at Harvard University-affiliated **McLean Hospital** in Belmont, Mass.

"Confronted with overwhelming change, the healthy people will adapt," Palmer said. "The unhealthy people will become so overburdened, they will become increasingly depressed, withdrawn. They'll feel like they are a burden to others."

If you've been laid off or fear losing your job, reach out to friends, family, colleagues or a therapist. "If you talk about your problems with a lot of different people, they'll put a different spin on it, and they'll help you get unstuck," Palmer said.

Discipline also helps you stay connected, he said. Every day, do something purposeful and something pleasurable. In the morning, send out résumés and clean the house. In the afternoon, go to the gym or have coffee with friends.

Alone and feeling down? The doctor tells his patients to drop and perform as many push-ups as possible, to the point of total exhaustion, when they're seriously anxious. "There's a lot of evidence that exercise is just as effective as antidepressants for mild to moderate depression," he said.

5. Train

All our experts suggested paying down debt, adopting austere budgeting and other commonsense measures. Less obvious was another suggestion everyone made: Seek out training, whether in school or

by volunteering. "What's more important than anything in the world?" asked Osbon. "Human capital. Upgrade yourself. That is your best return."

Training is consistent with experts' calls for reinvention. While Kiely is working in Medford, he's also studying landscape design at Harvard. Former financiers are flocking to Le Cordon Bleu, a culinary school in Cambridge, Mass., affiliated with its Paris namesake.

"We've got people who have always wanted to do this and now can," said chef instructor Jeff Mushin.

Education can be expensive, but community colleges and night schools can provide great training in computer and other skills that increase your value in the workplace.

Or consider volunteering, which can be an excellent networking tool and can fit well into a larger strategy of rediscovery, Reen said.

"You can say, 'I'm going to structure my day as such; I'm going to work two hours a day here, two hours a day there,'" he said. "It's a great way to branch out."