

Luck In The Time Of Recession

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What happens to lucky people during an economic recession? They use their luck of course.
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Luck is not always as random as it appears. There are things that lucky people do differently from others, and ways that they think differently. These "good luck habits" explain much of their good fortune. This is evident even during an economic recession that seems to be hitting everyone.

{bot_wrgoogle}For example, those who are called lucky usually are prepared. What kind of preparations do they make? Considering the unpredictability of the future, they usually do what needs to be done to take advantage of any opportunity that arises. That means having decent positioning, such as time to deal with the unexpected and several income sources. It also means having money set aside.

Look at what that money is worth now. Measured by real estate, it has increased in value by 30% or so. Or it can buy 100% more shares of most stocks now. This can be an opportunity for those who were prepared.

Attitude is another area where lucky people generate their own luck. For many people, the drop in the value of their home is seen as a negative thing. They feel poorer as a result. But "positive" and "negative" are largely a matter of perspective. Let's consider how a person with a better attitude and perspective might deal with this.

To begin with, those who have a lot of good luck usually ask themselves, "What good can I make of this situation?" With that question in mind, a man might realize that if his house is worth 30% less he can probably get his property taxes lowered, since they are based on value. He may even find a cheaper home insurance policy. Now if he is paying less to live in the house, and he had no intention of selling any time soon, what is negative here? He has made this into a good situation.

More than that, remember that lucky people look for the opportunity in every problem and have some time and money prepared to take advantage of them. So is a 30% drop in real estate prices a problem for someone like that? What else can such a person do with this supposedly "bad" news?

Imagine that a woman owns a home that was worth \$150,000 three years ago, but is now worth only \$105,000 - which is about what she owes on it. Having the traits of lucky people, she naturally has some money set aside and lives below her income, and is always looking for the "bright side of things." So she recognizes that the \$250,000 homes she has wanted are also down by 30% or so, which means she can buy one for around \$175,000.

Now, she could sell her existing home for what she owes, having lost \$45,000 in value since the peak of the market. Even at that she would be happy, because she is saving \$75,000 on the home she is buying, versus the peak price. But she decides to rent it out to cover her costs, and sells it for \$157,000 a few years later when the real estate market recovers. By that time her new house is worth 262,000 - a gain of \$87,000. That's how the lucky get luckier.

Even those who lose their jobs during this economic recession can turn that to their advantage if they have the right attitude and habits. Six months of unemployment checks buys the time to start a new low-risk, low-investment business, for example. It might also be an opportunity to change careers, to find something more interesting to do. Adopt the perspectives and actions of lucky people, and you can generate your own good luck even in an economic recession.

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