



To: Clients & Friends Of Pro@ctive CPA
From: Mark Wyssbrod, CPA – Managing Member
Date: March 29, 2009
Re: An Attitude Adjustment

This month's update is an article written by our managing member, Mark Wyssbrod. He believes our economy might be ready to stabilize. Pro@ctive CPA can help your business after tax season by discussing with you how you need to financially position your company to survive these challenging times and thrive in good times.

An Attitude Adjustment by Mark Wyssbrod

A sales manager I knew in college told me to never get too high in the good times and never get too low in the bad ones. He has a great message we can learn from. Our attitudes can play a big role in our economic activity and outlook on life. I believe we are in the middle of an attitude adjustment which will lead to positive economic results by the 4th quarter 2009.

2008 was a difficult year to say the least. Mentally, our attitudes started the year believing the economic challenges would be easy to deal with. We underestimated the economic realities and as a society were caught off guard. Our attitudes quickly sank from optimism to reality, but then quickly dove into a pessimistic outlook. This pessimistic outlook helped continue to fuel poor economic data and activity.

It seemed as if it was hard to be an optimist by July 2008. Any time we tried to put a good spin on something, worse news was delivered. The failures of large institutions (Bear Stearns and Lehman Brother), the bailout of major bank (Citi, Bank of America, SunTrust, etc.), credit markets freezing, unemployment rising, our investments were crushed in value, our homes were no longer worth what they once were, etc. Hope saw a brief glimpse last November with the election of a new President, but this was short lived as the holiday shopping season left Santa and the elves filing for unemployment in January.

(Fall 2008) This caused caution to leak into our attitudes. Instead of borrowing and spending, we witnessed our savings rate begin to climb sharply. One reason our savings rate increased was due to not being able to borrow with the frozen credit markets. We had a negative savings rate for too long. Now that we are saving and not spending, our Gross Domestic Product (how much we consume) will not be as great as in years past.

(December 2008 – February 2009) Caution then turned into pessimism. Outright people began complaining (and loudly). We focused and placed our energy in all of the bad things that were happening. This was contagious! One complaint led to others joining in to complain which was easy to do and was fueled by continued challenging economic



times and horrific economic data. Our mental fortitude was lost and our attitudes continued sinking.

(March 2009) Since January 2009 we began to notice small business owners beginning to get tired of complaining. We noticed the focus was being shifted to answers instead of problems. It started out like a slow leaking faucet that has started to run in a steady stream. Our mental attitudes seem to be stabilizing (i.e. not necessarily getting worse nor improving). It seems as if we have mentally priced in the bad news we are facing now and the bad news we expect in the next few months. For example, a year ago if you mentioned to someone they were going to lose their job or the world was coming to an end a sense of panic would erupt; now if you mention the same information it is expected so no reaction is given. Additionally, we have changed our phrasing slightly to incorporate the reality of the situation, but with optimism for the future.

We believe the stabilization of mental attitude coupled with small business owners (and people in general) being tired of complaining and changing the focus to finding solutions to their individualized situation will lead to a positive economic effects in the next 6 to 9 months (4th quarter 2009). The 6 to 9 month period is needed for individual to generate and execute on a business strategy.

In conclusion, our mental attitudes play an important role on our behavior. The law of attraction states that what we believe, we attract. If we expect bad news, we receive bad news because we are focused on the bad. If we expect good news, we receive good news. Stay focused, form a plan and execute. We wish you the best during this process and hope you are rewarded in the next 6 to 9 months.

Mark Wyssbrod, Proactive CPA, has been helping small businesses achieve their goals since 1999. His proactive philosophy stems from the fact that traditional tax preparers are usually simple historians who react to their client's prior and current positions. Such a reactive stance means trying to fix mistakes after those mistakes are already made. Mark would rather prevent any mistakes in the first place. You can reach Mark at (770) 664-8583.