



DICKHOLTZ WEALTH MANAGEMENT

*Strategies For Life*

## NEWS

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## **Growing up Is Never Easy** *The Pains of Recession Should Lead to More Mature Financial Practices*

CHICAGO, IL (March 16, 2009) — Urging the country to put away childish things, President Obama could have been talking about poor spending habits. Like children, this nation demanded instant gratification. The retail concept of lay-away, so popular just 30 years ago went the way of the drive-in movie. No longer satisfied with buying only what is affordable, Americans embraced run away equity lines and defined themselves by what could be bought on credit. But those days are no more – and maybe it's for the better.

According to Lisa Dickholtz, President of Dickholtz Wealth Management in Northbrook, “Faced with plummeting investment accounts, declining home values, and the real prospect of job loss, Americans suddenly are doing what they've needed to do all along – spend less and save more.”

In fact, in the last three months of 2008, the government reported Americans' savings rate, as a percentage of after-tax incomes, rose to 2.9 percent. That's up sharply from 1.2 percent in the third quarter and less than 1 percent just a year ago. Today, a shopping spree no longer appears to be the initial response to a wave of bad news. In February, the Commerce Department reported consumer

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spending fell for a record sixth straight month in December, dropping 1 percent amid worries about surging layoffs. The hunkering down trend likely will continue. The Conference Board Consumer Confidence Index™, plummeted further in February reaching yet another all-time low. The Index now stands at 25.0 (1985=100), down from 37.4 in January. According to The Federal Reserve, although consumer borrowing rose slightly in January, economists still expect borrowing will remain weak this year with news of the unemployment rate surging to a 25-year high.

“With pessimism about the state of the economy increasing daily, suddenly it’s chic to be cheap,” says Dickholtz. “Frugality is back in style and splurges on widescreen TVs, top-of-the-line kitchens, and designer clothes are out.” Across America, people have not only stopped borrowing, but they are actually paying back debt by paying down those car loans, mortgages and credit card bills. Consumers are actually talking about how to save money – with their neighbors and, more importantly, with their bankers, credit card companies, and household service providers.

The fallout from collective belt-tightening has been referred to as the "paradox of thrift." That is, what's good for the people — spending less, and saving more — does nothing to lift the economy out of recession. While many economists suggest that it’s bad news for our recession-battered economy when consumers pay off credit cards, increase their cash reserves, and skip a few pizza deliveries, Dickholtz begs to differ.

“I believe child-like spending played a role in this economic mess but our increasingly mature attitudes toward money management could make us healthier in the long run,” says Dickholtz. “Just as growing up can be painful, enduring the difficult repercussions of this recession may pay off by putting an end to bad financial habits.” This recession may be what it takes to help American consumers break free from a lifestyle of greed supported by excessive borrowing, leveraging and spending.

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### **About Lisa Dickholtz**

Lisa Dickholtz has been a part of the financial services industry for 21 years. As President of Dickholtz Wealth Management in Northbrook, IL and a wealth advisor with Securities America Advisors, she specializes in aiding families, family stewards, widows and single women in the growth and preservation of personal and family wealth. Dickholtz takes a collaborative approach to addressing her

client's needs by consulting with a team of professionals, including CPAs and attorneys, in order to assess and formulate customized plans for accomplishing personal financial objectives.

Dickholtz holds a Bachelors degree in Management and Finance from Purdue University. She is a CERTIFIED FINANCIAL PLANNER™ practitioner having earned the CFP® designation from the CFP Board of Standards. Throughout her career Dickholtz has made a commitment to educate others on simple but important steps that will help them to make financially sound decisions. She has conducted numerous financial planning workshops and has been featured in the Chicago Tribune. Learn more at [www.dickholtzwm.com](http://www.dickholtzwm.com).

**NOTE:**

When you need a knowledgeable professional to speak on complicated financial topics in an easy-to-understand and engaging manner, please call Lisa Dickholtz at Dickholtz Wealth Management.

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Written by Lisa Dickholtz, Securities America, Inc. Registered Representative, with industry journalist, Marie Swift, President of Impact Communications.

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