

Surviving changes in a difficult economic climate

Dr. E. Anthony Allen M.B, B.S, MDiv, MRC Psych, DM (Psych)

Consultant Psychiatrist.

Consultant in Whole Person Health and Church-based Health Ministries.

www.growingbalanced.com

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OUTLINE

- INTRODUCTION

- HOW TO SURVIVE CHANGES
IN A DIFFICULT ECONOMIC CLIMATE:

I. HAVE AN ABUNDANCE MENTALITY

II. BUILD MULTI-LEVEL SUPPORT AND ADVOCACY

III. ACHIEVE PERSONAL RESILIENCE AND GOOD FINANCIAL
MANAGEMENT

INTRODUCTION

A. THE NATURE OF ECONOMIC CRISIS

The word “crisis” implies a situation:

- that is sudden and usually unexpected
- even if expected, one is not prepared for it
- where the demands greatly outweigh the resources to the extent that no solution can be envisaged.
- which results in catastrophic distress and threatened hopelessness

INTRODUCTION

COMMON CAUSES OF A DIFFICULT ECONOMIC CLIMATE

“If the output of money exceeds the input
the upshot shall be our downfall”

The Basic Law of Economics !

INTRODUCTION

COMMON CAUSES OF ECONOMIC CRISIS

- Historical factors: Colonization, racism and enslavement The South and the “south in the “North”
- Expansion and Recession Cycles: “ Boom and Bust”
- Capitalist consumerism without matching productive technology
- Poor governance: economic mismanagement, inequality, lack of democracy; corruption; political tribalism and failed states
- Community violence, civil and national war
- Natural disasters Personal setbacks
- Financial illiteracy in the population: e.g. Ponzi schemes; poor savings and investments

INTRODUCTION

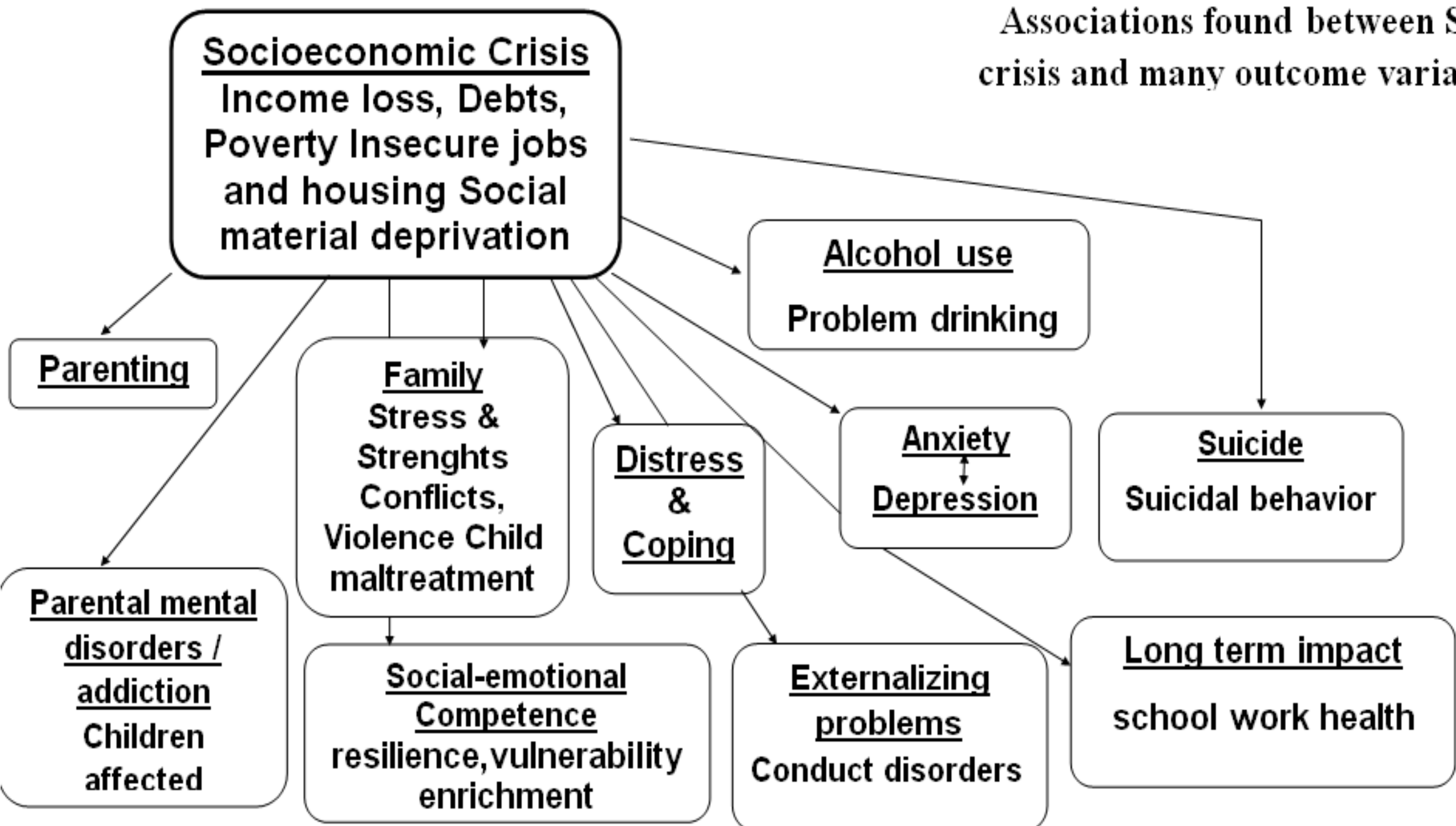
B. COMMON EFFECTS OF SOCIOECONOMIC CRISIS

Human suffering occurs because of:

- Income loss
- Debts
- Unemployment / Underemployment
- Insecure jobs
- Insecure housing
- Social and material deprivation (threatened or real poverty)

What do these lead to?

Associations found between SE-crisis and many outcome variables.

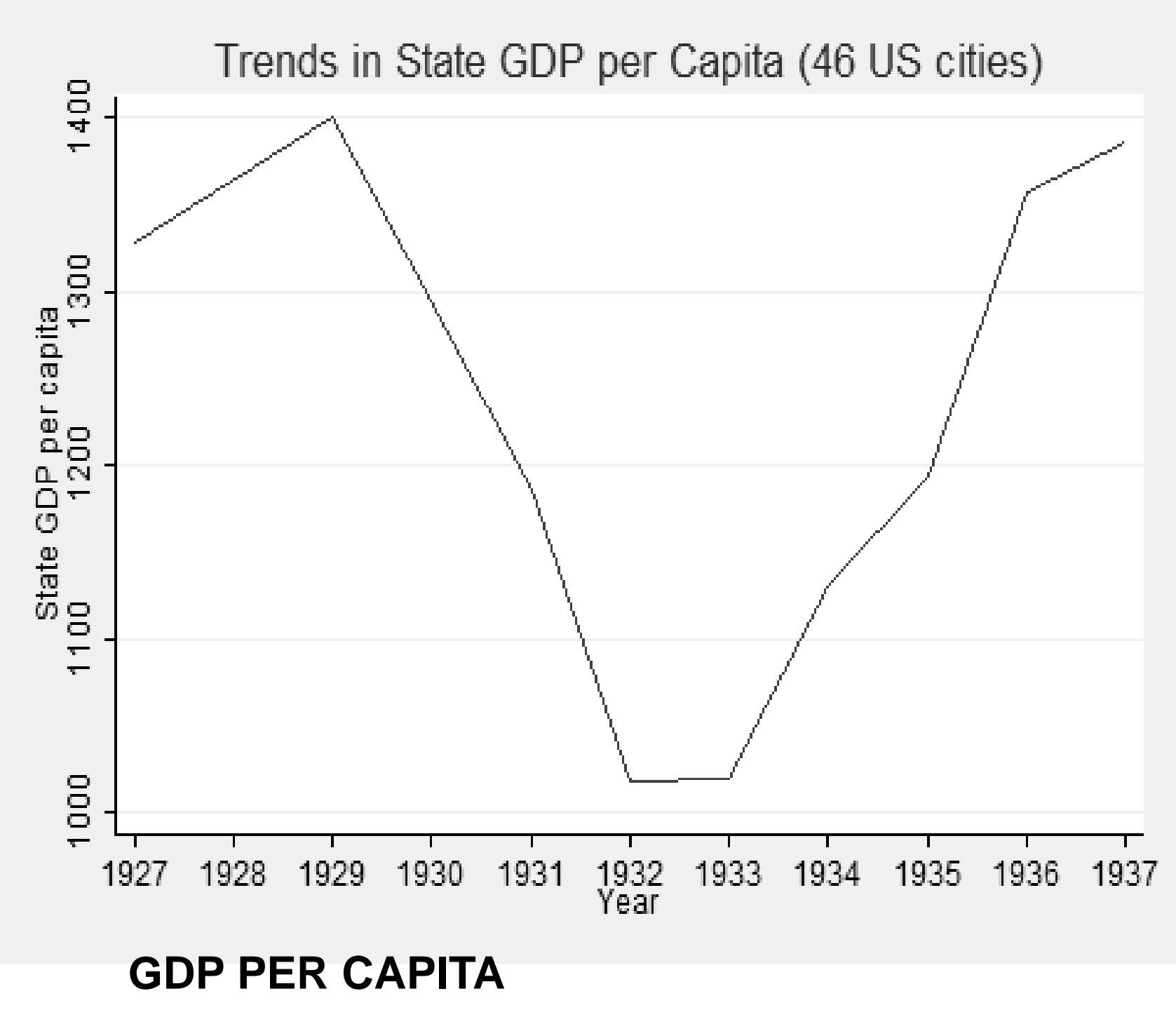


What about Suicide?

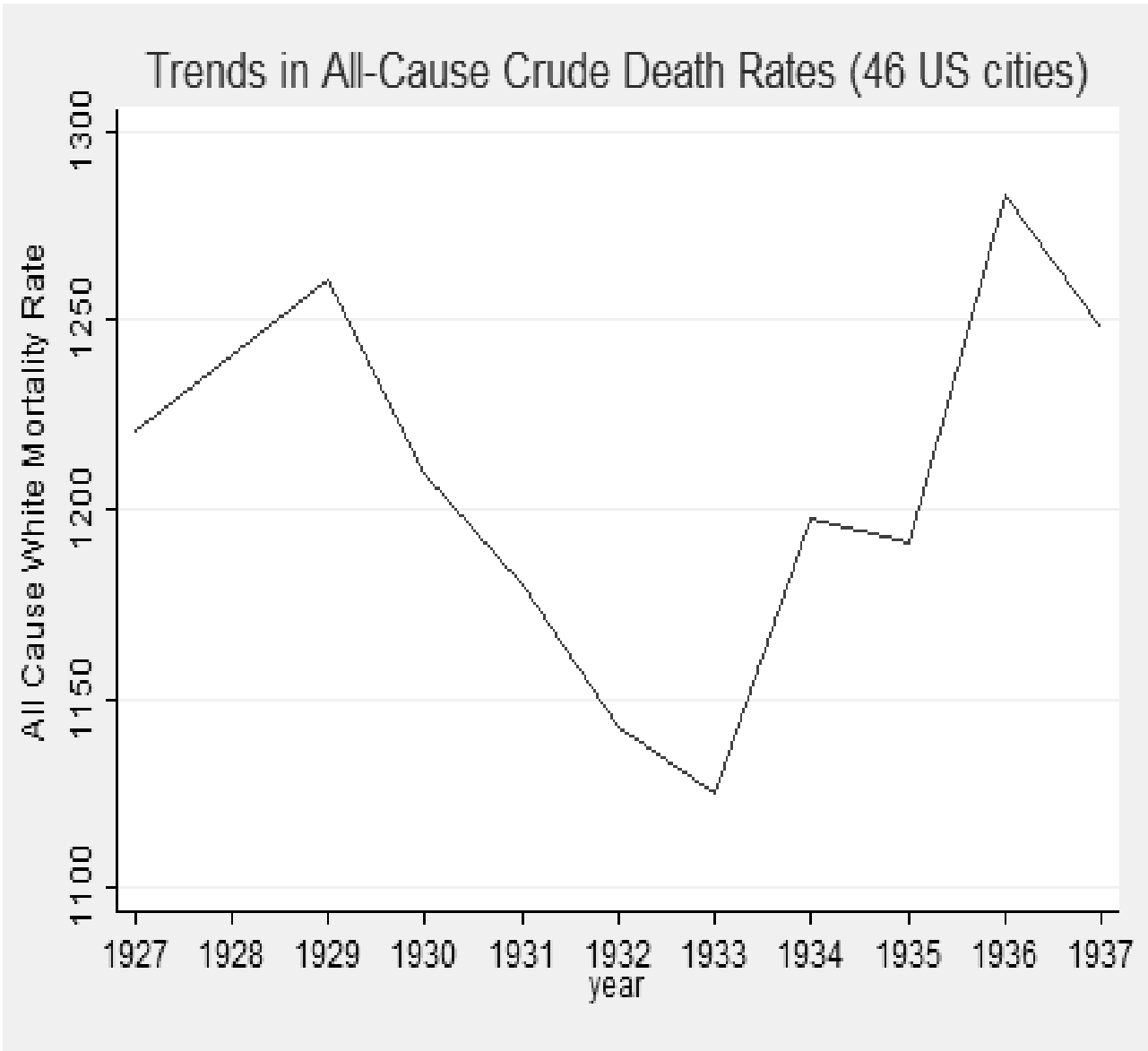
Great Depression: not so bad?

Evidence from studies of 1932

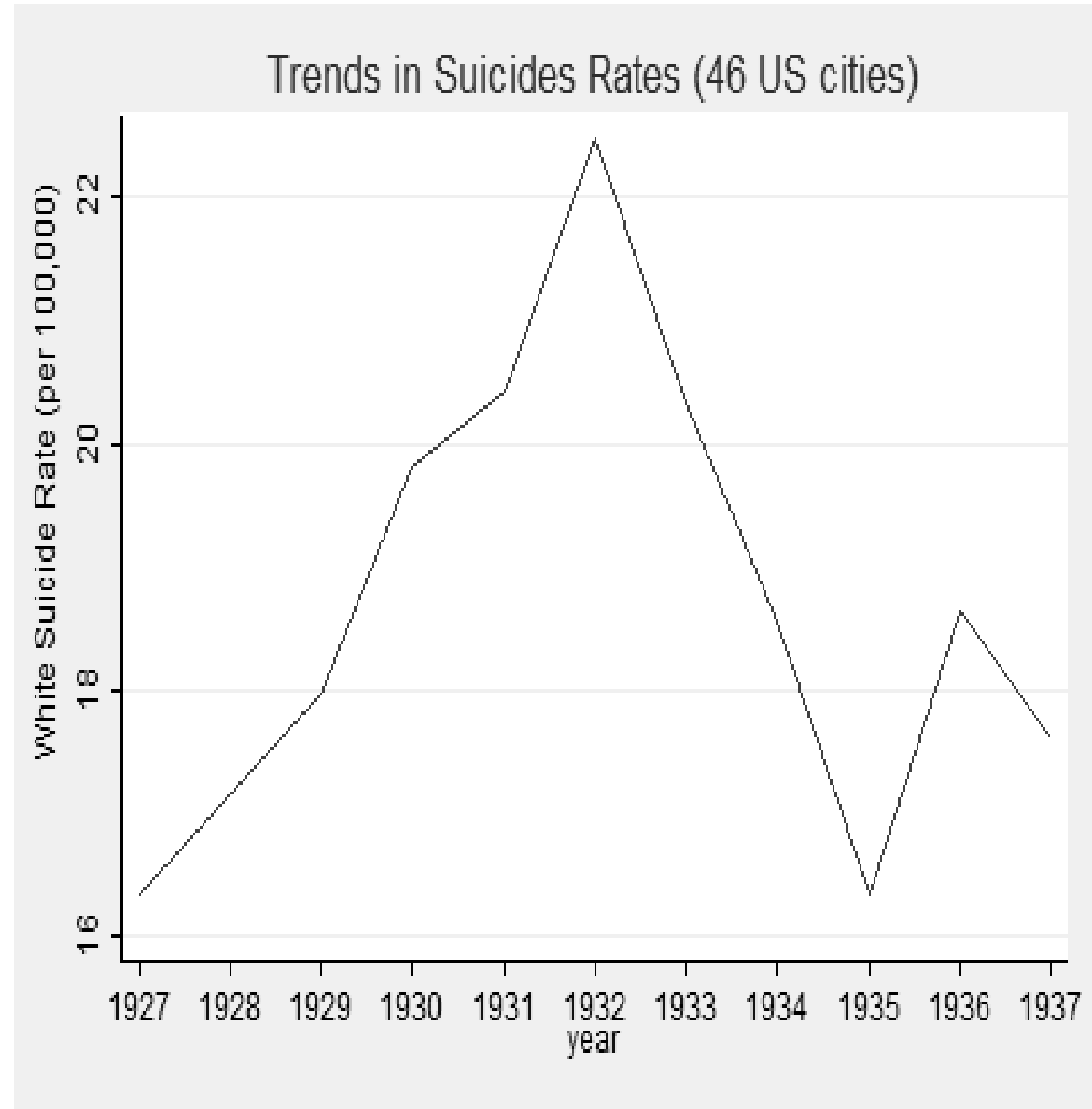
- Income ↓ 30%
- All-Cause Mortality Rates ↓ 10%
- Suicide ↑ 40%



David Stuckler, PhD MPH



DEATH RATES



SUICIDE RATES

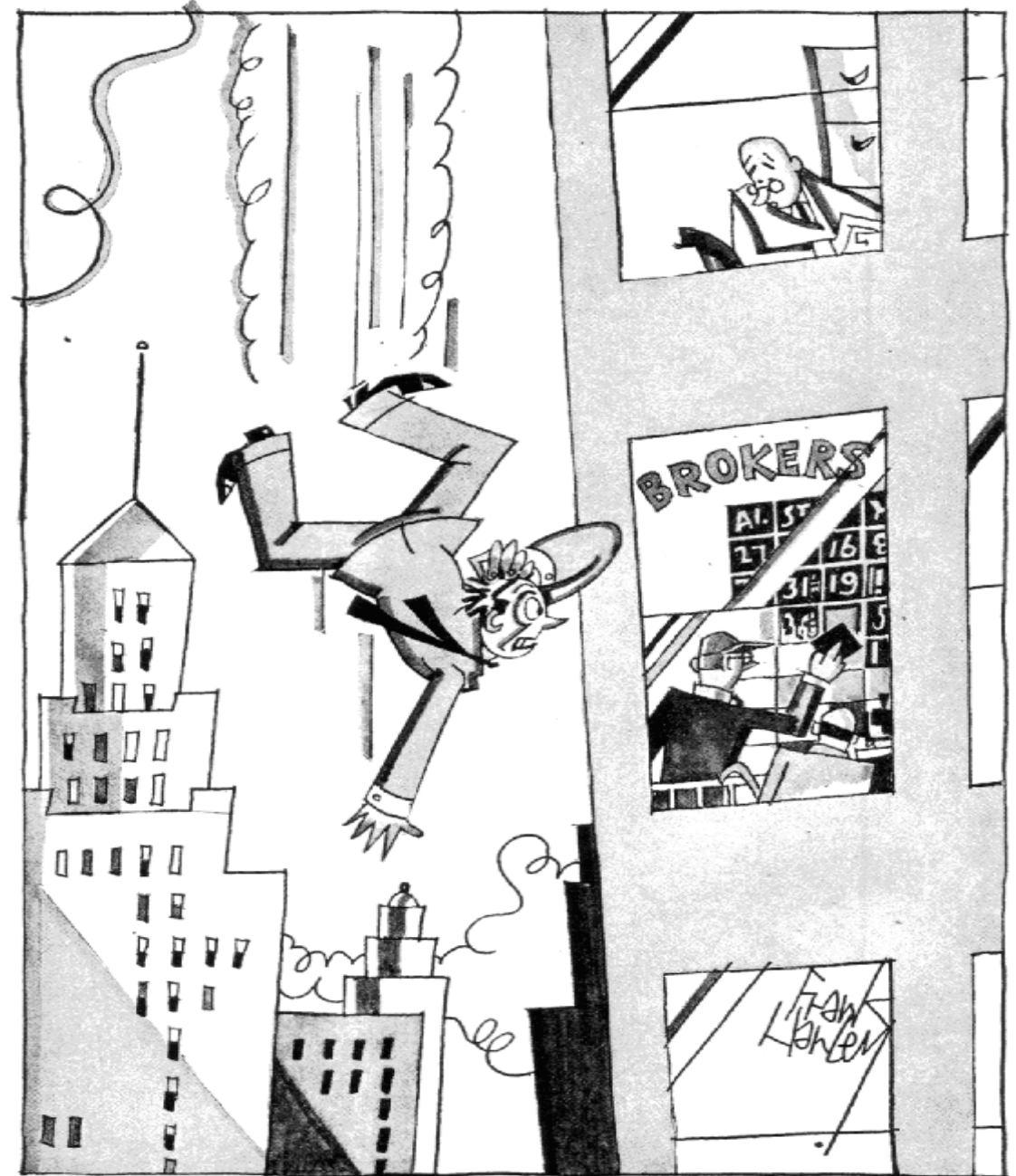
DEATH RATE DROPS IN NORTH AMERICA

NO SLUMP IN HEALTH

Traffic Deaths Drop in 1932

Yet people jumped

Sources: NYT Oct 1930; AP 1932; WP 1930



"Up three points? My Gawd, I jumped too soon!"

Up three points? My Gawd, I jumped too soon!

Source: Hanley 1931 *Life*

Here in Jamaica: FINSAC & SUICIDE

Source: Jerome Reynolds, Gleaner Writer, Jan. 2, 2013

“The Association of Finsac’d Entrepreneurs says it’s saddened at the deaths of the elderly Mandeville couple who committed suicide on Monday.....

In a suicide note, the couple blamed the FINSAC debacle for driving them to take their lives.

- Association president Yola Gray Baker said many debtors continue to suffer, as they are still paying back huge loans and are at the same time losing their homes and businesses.
-those who have caused dozens of Jamaicans to suffer as a result of the financial crash in the 1990's should be held accountable”.

Retrieved from: <http://jamaica-gleaner.com/power/42048>

HOW TO SURVIVE CHANGES IN A DIFFICULT ECONOMIC CLIMATE

HOW TO SURVIVE CHANGES

I. HAVE AN ABUNDANCE MENTALITY

- Be Aware of God's resources



I. THE ABUNDANCE MENTALITY: GOD'S RESOURCES

Mindset is where all human activity begins to succeed or fail. The best mindset for surviving in difficult economic times is that of an abundance mentality versus a scarcity mentality. Why can we afford to think this way? It is because of the realities of:

- 1. Human Potential**
- 2. The Power of Science**
- 3. God's Provision for Kingdom Building**

I. THE ABUNDANCE MENTALITY: GOD'S RESOURCES

1. Human Potential

- Each of us is given a unique gift and purpose.
- This is for us to make a difference to the world.
- Thus each of us has unique power.
- Self-knowledge and passion unlock our inner resources to fulfil our gift, our purpose.
- In this way we fulfil our positive destiny.

I. THE ABUNDANCE MENTALITY: GOD'S RESOURCES

2. THE POWER OF SCIENCE

- **The Science of Nature**

- Nature provides all we need – unlock it!

- **The Science of Production**

- The right technology process brings the right results – develop it!

- **The Science of Business**

- The world beats a path to the door of the best rat trap maker – make best product to meet people's needs and market it with best service.

- **The Science of Investment**

- Under the right conditions, the money value of assets increases – buy and sell assets at the right time.

I. THE ABUNDANCE MENTALITY: GOD'S RESOURCES

3. GOD'S PROVISION FOR KINGDOM BUILDING STEWARDSHIP

- “Take no thought for your life, what ye shall eat, or what ye shall drink; nor yet for your body, what ye shall put on....”
Matthew 6:25, KJV
- “But seek ye first the kingdom of God, and his righteousness; and all these things shall be added unto you”. Matthew 6:33,
- “Now he who supplies seed to the sower and bread for food will also supply and increase your store of seed..”
2 Corinthians 9:10, NJV

I. THE ABUNDANCE MENTALITY: GOD'S RESOURCES

1. Human Potential

2. The Power of Science

3. God's Provision for Kingdom Building Stewardship

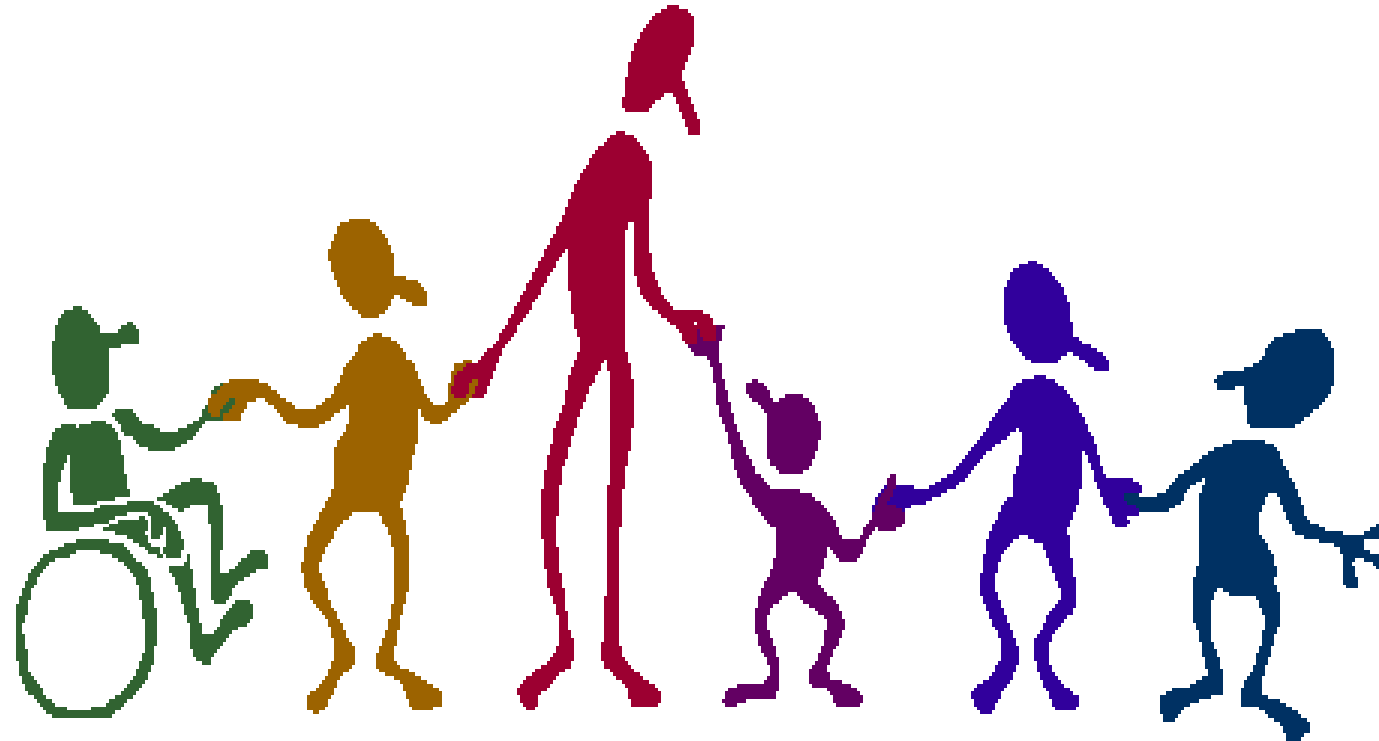
When we are aware of **the fact that we can unlock these resources** of God, we can afford to have an abundance mentality.

In times of a difficult economic climate, we can survive changes from having too little. Despite global and local mismanagement and natural disasters **there is enough to meet the needs of everyone in God's world for His work.**

HOW TO SURVIVE CHANGES ...

II. BUILD MULTI-LEVEL SUPPORT AND ADVOCACY:

“Bear one another’s burdens ”



II. MULTI-LEVEL SUPPORT AND ADVOCACY: “Bear one another’s burdens”

1. THE NATIONAL LEVEL

2. THE FAMILY LEVEL

3. THE COMMUNITY LEVEL

This is the first exercise of Kingdom Building Stewardship

II. MULTI-LEVEL SUPPORT AND ADVOCACY: “Bear one another’s burdens”

1. THE NATIONAL LEVEL

- **Build social protection**
 - E.g. NIS, NHT, Path, Poor Relief and other Poverty Reduction Programmes
 - NGOs: Food for the Poor, Salvation Army, Red Cross and Churches
- **Build social capital**
 - Trust and cohesion across lines of division – colour, class, gender, political parties, gangs, etc. Avoid workplace disrespect, stress and unfair labour practices

II. MULTI-LEVEL HUMAN SUPPORT AND ADVOCACY: “Bear one another’s burdens”

1. THE NATIONAL LEVEL

- **Build human capital**

Education, health, skills training, values and attitudes and financial literacy

- **Build national economic success priorities**

- Financial regulation
- Ease of doing business
- Small business support
- Infrastructure, transportation, energy, agriculture
- **Proper economic governance with corruption avoidance**

Results of studies:

What is the evidence of the impact of the economic crisis on public health?

David Stuckler, PhD MPH
Oxford and LSHTM

With

Marc Suhrcke, Sanjay Basu, Adam Coutts and Martin McKee

Important variations:

The Impact Worse in Countries with:

- rapid economic change,
- weak social protections,
- low social capital

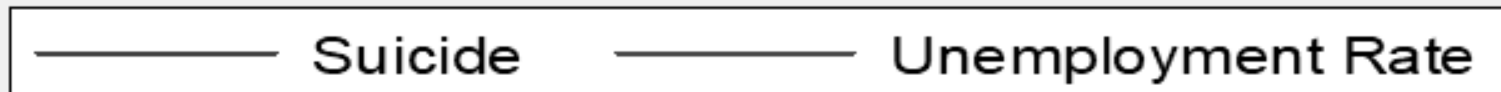
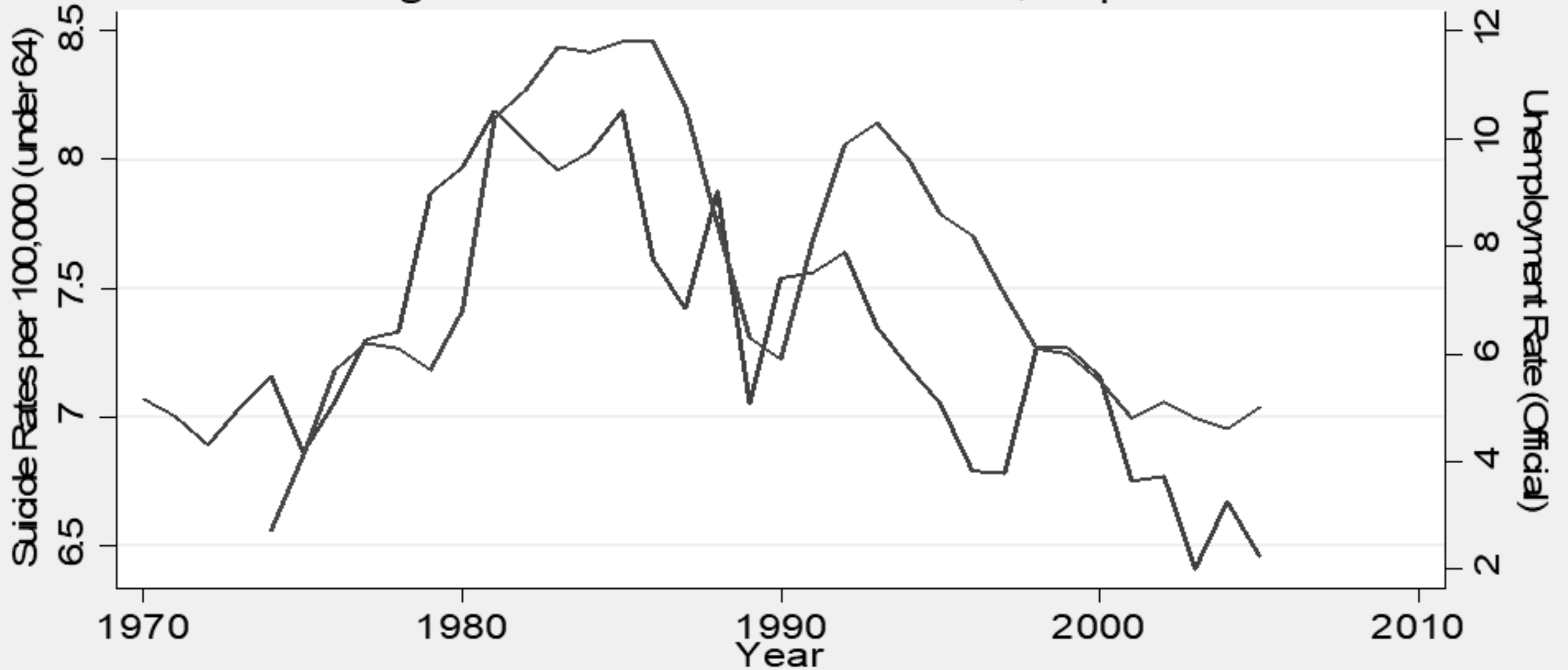
Cuba, Finland:

- Incomes fell but health stable

Some populations more vulnerable

United Kingdom

Average Labour Market Protection: \$95 per head



Some populations more vulnerable

Spain

Average Labour Market Protection: \$88 per head



Some populations less vulnerable

Sweden

Average Labour Market Protection: \$362 per head



Social Protections Help...

Each 100 USD greater social spending reduced the effect on suicides by:

- 0.38%, from active labour market programmes,
- 0.23%, from family support,
- 0.07%, from healthcare,
- 0.09%, from unemployment benefits.

II. MULTI-LEVEL SUPPORT AND ADVOCACY: “Bear one another’s burdens”

2. THE FAMILY LEVEL

- Positive family values, traditions and rituals of helping each other
- Family counselling and healing
- Building sound consensual financial management
- Building family economic productivity and wealth

II. MULTI-LEVEL SUPPORT AND ADVOCACY: “Bear one another’s burdens”

3. THE COMMUNITY LEVEL

Community managed development

- with **peace and reconciliation initiatives**: promoting unity across social, political and gang divisions
- **economic support** and • **cooperatives**, e.g. agriculture and other entrepreneurial ventures
- highlighting **youth initiatives and participation** THIS IS A MAJOR PROBLEM FOR OUR ECONOMY impacting productivity, mental health and CRIME
- **advocacy** for resources and support from the national and family levels

- The next slide illustrates that *multilevel action is most efficient* in meeting the multifaceted ways in which Socioeconomic crises have negative consequences for social entities, and individuals.
- PRE- SCHOOL, COMMUNITIES, HEALTHCARE,
MEDIA AND WORKPLACES COOPERATING HAVE
BEEN FOUND TO HELP.

Associations found between SE-crisis and many outcome variables

Socioeconomic Crisis
Income loss, Debts,
Poverty Insecure jobs
and housing Social
material deprivation

Parenting

Alcohol use
Problem drinking

Family
Stress &
Strenghts
Conflicts,
Violence Child
maltreatment

Distress
&
Coping

Anxiety
↓
Depression

Suicide
Suicidal behavior

Parental mental
disorders /
addiction
Children
affected

Social-emotional
Competence
resilience, vulnerability
enrichment

Externalizing
problems
Conduct disorders

Long term impact
school work health

PRE-SCHOOL
School system

COMMUNITY
Social Support /Capital

HEALTH CARE
Public Health

MEDIA
Internet

WORKPLACES

HOW TO SURVIVE CHANGES

III. ACHIEVE PERSONAL RESILIENCE AND GOOD FINANCIAL MANAGEMENT:

Be positive, and “faithful in little”



III. RESILIENCE AND GOOD FINANCIAL MANAGEMENT:

Be positive, and “faithful in little”

1. BUILD RESILIENCE FOR CHANGE AND LOSS

2. USE BEST MONEY MANAGEMENT : A CUSHION FOR HARD TIMES

These will enable wise and successful stewardship for
Kingdom Building

III. RESILIENCE AND GOOD FINANCIAL MANAGEMENT: Be positive, and “faithful in little”

1. BUILD RESILIENCE FOR CHANGE AND LOSS

- i. Learn to “**REFRAME!**” **YOUR PERCEPTIONS** and reactions to a demanding environment:

Try to see things differently from how you feel. This **positive thinking** will produce positive emotions. This includes the ability to:

- see past one’s challenges: the present does not define the future
- accept change and adversity as part of life “we get *through* crises not always *around* them
- recognize that there will be something new to learn
- every crisis can bring some opportunity and growth

Build Resilience

- ii. **Don't compare oneself negatively** with others. Everyone has **3S's: Skeletons, Scars or Suffering!**
- iii. Maintain a **moral compass** (always do the right thing; go for win-win; avoid the temptation to “cut corners” in desperation; believe in the power of God's resources!)
- iv. Maintain **an attitude of gratitude** for nurturing positive emotions
- v. **Cultivate hope and faith** (Confidence for the future)
“this too will pass” “as long as I keep stable new opportunities will come”. God is in charge!

Build Resilience

- vi. **Practice Self Care for balanced living, *stress management, relaxation* techniques and *enjoyment* (Peace)**

E.g. Meditation, mindfulness, yoga, massage, reflexology, aromatherapy. Find some healthy fun in life despite hard times.

Build Resilience

vii. Build close alliances

- Friendships
- Family members
- Members and leaders of one's Faith Community
- Trusted members of one's workplace and geographical community
- "Natural counsellors" in these settings
- One's helping professionals: Physician, lawyer, accountant, lecturer etc.
- A mental health professional

- Don't be a "lone ranger" – share!
- *Seek for loving and feeling loved and understood.*

Community is the greatest agent of healing, well-being and longevity

For this to work we each need to be willing to be vulnerable, **exercise mutual trust and confidentiality** and don't stigmatize anyone !

III. ACHIEVE RESILIENCE AND GOOD FINANCIAL MANAGEMENT:

Be positive and “faithful in little”

2. USE BEST MONEY MANAGEMENT : A CUSHION FOR HARD TIMES

ATTITUDES FOR BEST MONEY MANAGEMENT

- Do not envy persons for ending up financially successful. Emulate how they got there from where they begun.
- Despise not small beginnings. The right direction is everything.
- Move from focusing on the “cause” of your challenges to the “effects” of your efforts.
- Associate with persons who are “rebounders” from hard times. Avoid those with a “red eye” and scarcity mentality.

III. ACHIEVE RESILIENCE AND GOOD FINANCIAL MANAGEMENT:

Be positive and “faithful in little”

2. USE BEST MONEY MANAGEMENT : A CUSHION FOR HARD TIMES

“Moreover, it is required of stewards that they be found faithful”¹ Corinthians(ESV)

• These are the first **steps to building financial wellness: The Three “E’s”**

1. Get **Education**

- Build on a good basic education.
- Be qualified for a good job or business.
- Keep well informed by reading good books continuously or using the internet or viewing TV documentaries.

Steps to building financial wellness: The Three “E’s”

2. Learn **Earning-based skills**

Gain a skill (non-professional or professional) that can guarantee an income. Have more than one skill set if possible.

- Education is to know “what and why”
- A skill is to know “how”
- A skill is to add value to people and their experiences.

People pay for that.

Steps to building financial wellness: The Three “E’s”

3. Achieve **Economic Independence** from others

- **Earn**: Find a way to earn with whatever skills you have
- **Produce and Market**: Even if you work for somebody else, in your own time, you can work for yourself as well!.

Identify unmet needs. If possible, find a way to make something or **provide a first class service** that can be marketed to meet those needs. You could even form one or more businesses and employ persons to run them. Be an entrepreneur, if possible!

Produce to meet your own needs for food, clothes etc.as well. Have a backyard garden! Use your spare rooms for Airbnb short term rental ...etc

A Backyard Garden!



Fresh pumpkins reaped
from 8 Durham Ave.

Airbnb rental example



- *Join a Cooperative or Partnership* This enables a pooling of skills and capital for larger scale production. Get help from *advisors* such as the Small Business Association.
- Use a **Budget** to get surplus cash: List your income and each item of necessary expenditure. Find ways to deal with the difference!
- Earn more and/or spend less and more efficiently. You now have a surplus to save and invest for your *medium term needs* such as a house and the *long term needs* such as retirement.
- Avoid waste, use LED bulbs, rainwater harvesting and solar energy, Buy second hand.

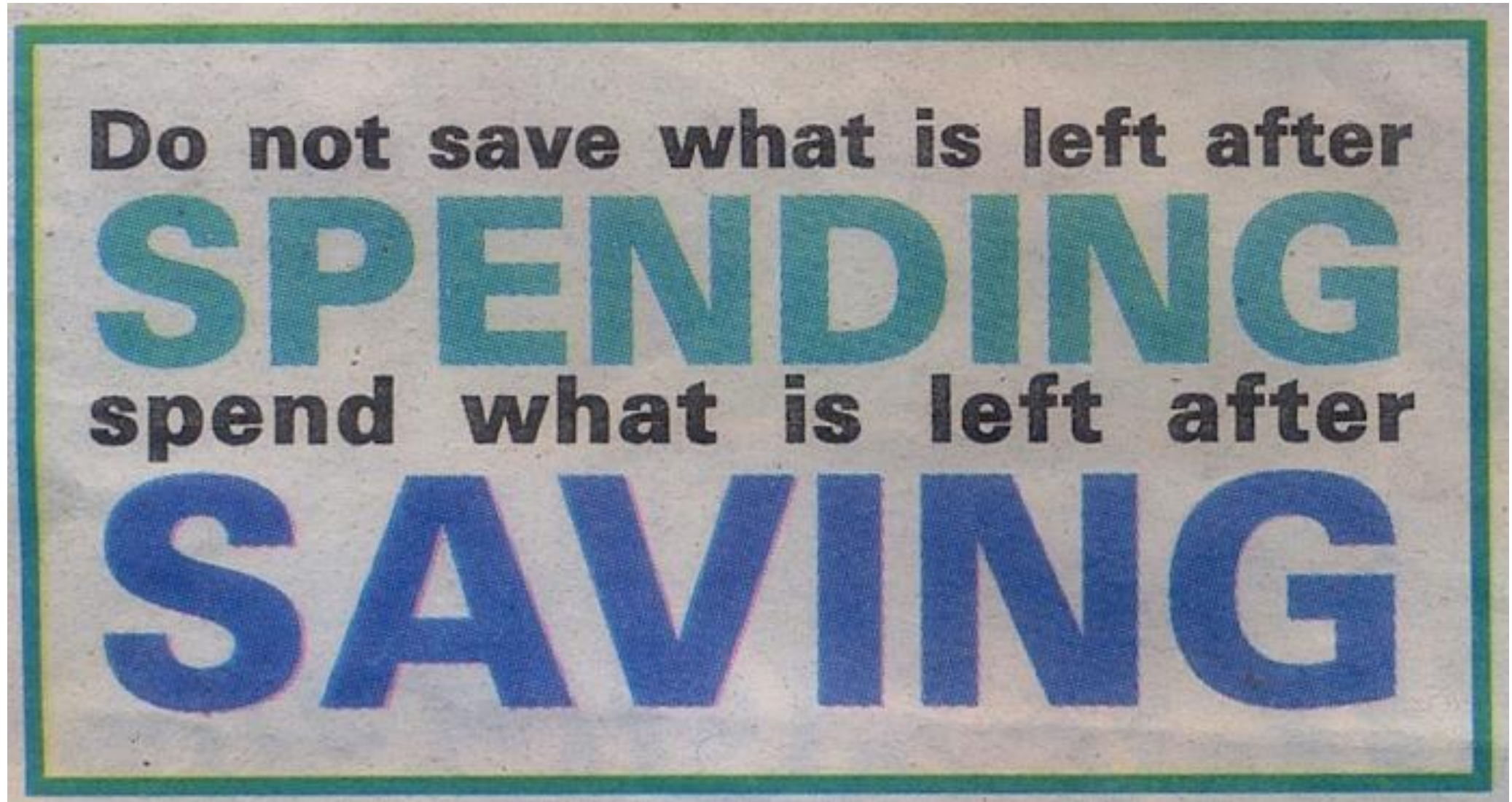
Rainwater Harvesting



Solar Energy



- Spending on Healthy Living is the best insurance!
- **Save**: Start with anything you can find “**every little mek a muckle**”. Then put aside the equivalent of 3-4 months expenses for necessary but unusual needs, for example, health, job loss and other *emergencies*.
- Save for *retirement*, children’s education, *insurance needs*, a *car and house* (if affordable), provision for *elderly and disabled relatives*, and defraying *death duties on your estate*.
- Banks today do not provide much interest. A *mutual fund* or “partner system” can help. A *credit union* is good to enable reasonable loans.
- Use a salary deduction or standing order so as to force yourself to save regularly.



- **Invest**: Salary earnings through employers or from your business may never be enough to make you a living. *Invest part of your salary monthly in **assets** that will make you money while you sleep*: e.g. the money market, stocks, real estate. **These improve your value or net worth.**

USE THE POWER OF COMPOUNDING!

USE “THE RULE OF 72”

- The “Rule of 72” is a simplified way to determine how long an investment will take to double, given a fixed annual rate of interest. By dividing 72 by the annual **rate of return**, investors can get a rough estimate of how many years it will take for the initial investment to duplicate itself (double). Thus with a rate of 7.2% your asset, untouched, will double in 10 years!

- Always diversify. A mutual fund (or unit trust) is a good start. Long-term Tax Free investments are good.
- *Get an impartial licensed financial advisor with no conflict of interests. Yet do your own research. Have a mentor.*
- Follow financial newspapers or radio and TV programmes or the internet e.g. www.investopedia.com
- Call several institutions for information!

**‘Work, Save,
Invest’**

Steps to Financial Wellness: The Two “P’s”

1. Protect your money

- **Insure**: Protect your assets. Insure against loss of: *your life, health, house, home contents, car* etc.
- **Minimise Loans**: Avoid making loans where possible except for a *home* mortgage. *Avoid using your credit card for loans. Pay Credit card bills immediately.* Always have debt repayment and consolidation plans• *Avoid giving unsecured loans.*

Steps to Financial Wellness The two “P’s”

1. **Protect your money** (cont’d)

- Make it easier on your inheritors! Make **proper estate management plans**. This includes a will, provisions for death duties (e.g. by an insurance policy, putting your children names on titles, joint bank accounts etc). Use a lawyer and financial advisor.
- **Give**: Give back to God. Give to the less fortunate, use a percentage giving policy (e.g. tithe). Don’t give to get back, but if you give generously you will receive generously!

Steps to Financial Wellness The two “P’s”

2. Plan and Monitor:

- Assess your needs in each area of financial wellness. **Plan**: Set up your Financial Wellness Plan. Set *goals* for each area. Set up *strategies* and *activities*.
- **Monitor** your progress. Use
 - i) a Budget to monitor a) earning streams, b) spending, c) saving and investments as well as
 - ii) a Financial Statement to monitor your **net worth** (a) Assets, b) Liabilities and c) Balance: positive or negative
- **Evaluate the plan** closely. Revise as necessary

Steps to Financial Wellness The two “P’s”

2. Plan and Monitor (cont’d):

- Involve your family: Involve the family in all decision-making where appropriate. Gain cooperation where possible in all activities. Meet weekly, monthly and annually.

Remember **the 5 Money Personalities**

The 5 Money Personalities

These are the five money personalities according to The Money Couple, Scott and Bethany Palmer. Each of these have their own pros and cons.

1. Spender
2. Saver
3. Risk Taker
4. Security Seeker
5. Flyer

Learn how to achieve constructive balance between your own and another personality type

Source: Palmer, S., Palmer, B., (2013) The 5 Money Personalities: *Speaking the Same Love and Money Language*.

Steps to Financial Wellness The two “P’s”

2. Plan and Monitor (cont’d):

Involve God (for those who are spiritual):

- All that we have comes from God to be used for our wellness and to serve others.
- Commit your wealth to service. Then prayer and Divine guidance will bring provision!

Conclusion

We have reflected on the nature of economic crisis and common causes as well as its common damaging effects on human well-being.

- It is clear that when persons experience rapid economic change along with weak social protections, and low social capital they more easily fall apart. Some kill themselves.

We have also reflected on how to survive changes in a difficult economic climate by fulfilling the invitations to:

Conclusion

1. HAVE AN ABUNDANCE MENTALITY – by being aware of God’s resources for the stewardship of Kingdom Building
2. BUILD MULTI-LEVEL SUPPORT AND ADVOCACY as a way of bearing one another’s burdens and
3. ACHIEVE PERSONAL RESILIENCE AND GOOD FINANCIAL MANAGEMENT - through being positive, and “faithful” in wise stewardship



Dwight Scott - From A Wooden House



To Morehouse

- Raised by a single father in a dilapidated, wooden house.
- They would sell bags of empty bottles to earn money, the proceeds of which would go towards school expenses.

- “ Along with Dr Loveda Jones, Stephen Hyatt, Mrs. H. Walters and Mrs Sinclair, they all poured so much into me and when I didn't believe in myself, they loaned me their belief systems. They loved me, fed me, gave me a place to live when I needed one, and I am grateful for the second chance they gave me,” he said.

- After high school, he sought and secured a scholarship to attend NCU, where he worked in the school's kitchen to earn money.
- While attending Oakwood, Scott's first registered business was a cleaning company.
- With a good college education, internships at Fortune 500 companies, owning successful business, and fresh with global thinking, Scott was ignited and ready to contribute to the business world.

Conclusion

- Money is not the root of all evil. It is simply a means of allowing the fair exchange of goods and services.
- It is simply coins, paper, or digital information that is used to bypass bartering and allow for speedy complex local and global exchanges.
- The love of money, or to seek to simply have rather than exchange fairly, is the root of all evil.

Conclusion

- Money, as a means to a good end, is “good”. *The more we want to add value to the quality of life of ourselves and others the more assets we need to have that earns money.*
- All money, and all it is used for, belongs to God. No need for envy, greed, fear of poverty or stigma if we don't have much. *He will reward us with joy for the good use of even little. He allows our lives to be miserable when bad money use addicts us.*
- Everyone can have enough in “God's economy”. This consists of: our **stewardship**, His **supply**, as well as our **wisdom industriousness** and integrity.

- *Wealth is a good thing* as long as it is seen not as ostentation or a tool of destruction.
- We need to promote wealth in the sense of “having enough” **assets** or **net worth** for meeting our needs for all our adult years so that we can best serve God.

- Let us work together as families, communities, national government and civil society, including the Body of Christ, to protect and enrich and spare lives. Therefore let us seek to let every Jamaican and global citizen have the “abundant life”, for service, which God has in store for all – even in the worst of times.
- As Dwight Scott said, “I appeal to the Government, investors and philanthropists reading this to build more community centres for the youth. Parents, teachers and leaders start first with unconditional love, unconditional belief, unconditional faith and hope for people”.
- Remember “M.S.M” the three key concepts of surviving change in difficult times: **Mentality, Support and Management:** all grounded in **Stewardship**

THANK YOU



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- <http://www.dreanthonyalien.com>
- <http://www.investopedia.com/ask/answers/04/040104.asp>

Recommended Reading Resources

- *Rich Dad, Poor Dad* by Robert T. Kiyosaki
- *The Morgan Stanley Dean Witter Guide to Personal Investing*
by Robert M. Gardiner
- *The Richest Man in Babylon* by George S. Clason
- *My Money and God* by Robert J. Hastings
- www.investopedia.com
- <http://www.financiallyfreenetwork.com/main.php>