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DESPITE BEING FUNDAMENTALLY sound, some say the U.S. economy is approaching a recession. Consumer sentiment, which drives two-thirds of the economy, is bleak.

A recent AP poll found 61 percent of those surveyed believe the U.S. is suffering its first recession since 2001.

But Oklahoma, moored by a strong presence in the petroleum, real estate and agricultural industries, is an island of stability sheltered from nationwide economic turmoil.

In recent years, the foundation for a recession was laid by financial institutions. Big U.S. investment banking houses sold sub-prime mortgages stuffed into securities to other banks around the world. Mounting foreclosures collapsed many of these instruments and wilted international confidence in the U.S. financial system.

When international funds for such securities dried up, some of the most respected U.S. banks found billions of dollars' worth of high risk debt stacking up on their books. And insurers commissioned to underwrite such investments were running out of cash to stanch the bleeding.

In more populous areas of the country, consumers now are beginning to pay for all this with lost homes, vanishing jobs and restricted credit. Little of that is being seen in Oklahoma.

Storm cycles

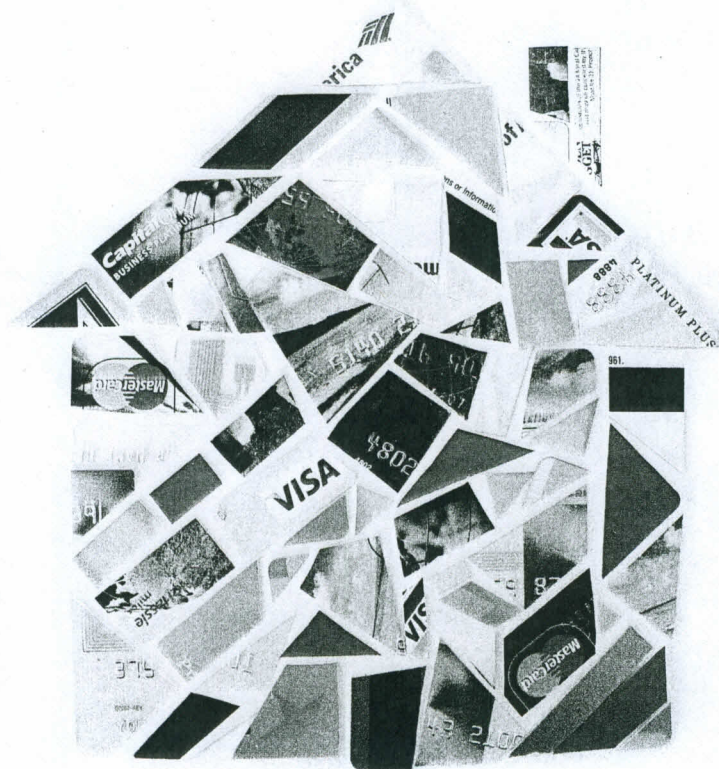
Financial authorities agree that blow-by from a downside U.S. economy is likely to be felt here. But its impact is expected to be much less violent than storms gathering elsewhere in the country.

Six financial and investment authorities were asked how Oklahomans might prepare for an economic downturn. They agreed that saving and paying down debt are wise at any point in the economic cycle. And they emphasized that consumers should trim their spending behavior.

Downturn's softer side

Experts differ on likelihood of recession, but agree on strategies to deal with it

BY RANDALL TURK



"If you know a tornado is coming, you would seek shelter before it was on top of you. So seek shelter."

Joshua Jenson

Seek shelter

Joshua Jenson, an Oklahoma City CPA who operates Joshua Jenson CPA P.C., has a darker view.

"I believe a recession is coming no matter what the government does," he said. "The warning signs are here if we simply look to the past as our guide."

Jenson recommends buying a home now.

"There seems to be a good balance of supply and demand" in the metro real estate market, and "the rates are great right now. Secure a

fixed rate mortgage."

Among other advice, Jenson urges clients to consolidate debt, "trash credit card use" and bank 10 percent of what they normally spend.

"Cash is king," he said, adding that the time to prepare for a recession is now, not when the recession is actually here. "If you know a tornado is coming, you would seek shelter before it was on top of you. So seek shelter."

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