

11% of workforce

JOB LOSSES IN NOVEMBER ARE WORST IN 34 YEARS

# Recession Proof

Shop for a better savings account. Repair, don't ditch, your shoes. Now is the time to rethink your approach to money.

# 533,000

The picture of recession in America grew dramatically worse Friday, with the economy losing so many jobs in November that one analyst described the situation as "frightening." The retrenchment shows signs of spreading, because more service sector and white-collar workers are getting pink slips. READ THE STORY IN BUSINESS, PAGE 17

# Looking ahead, staying hopeful is important

## Taking Risks With Bailout

## Next Year

## Is Looking

## Even Worse

# ns to cut 11% of workforce

NEWS ANALYSIS

ADVERTISING

By DAVID E. SARGENT

STON

By KRIS FRIESWICK

The economic sky looks like it might actually be falling this time. Layoffs in every major industry, bailouts, 401(k) plans vanishing before our very eyes. But Lola's convinced that the savvy recessionista can thrive during the bleakest of times. Here's what to do.

**1. Consult Your Family Tree.** Talk to your parents or grandparents, especially if they're over 75. They lived through times much tougher than this, and the conversation will immediately give you perspective on the comparatively minor changes we all will need to make in our lifestyles. My husband's parents lived through World War II in England and Wales, as well as the economic deprivation that plagued the United Kingdom for decades afterward. Our current recession is a cakewalk compared with what they lived through – a time when a single fresh orange was the most extravagant Christmas present a kid could imagine. Really. They remember what a cash economy looked like. Pick your elders' brains for ideas on saving money. Oh, and this time? Actually listen.

**2. Adopt Easy, Thrifty Habits.** When it comes to saving money, pick the low-hanging fruit first. Pack a lunch. Instead of eating dinner out three nights a week, go grocery shopping, buy wine by the case (most liquor stores offer a significant discount on a case), and host potluck dinner parties at home (which will help your friends save money, too). Shop the city's many excellent secondhand stores for vintage gems. And remember that recycling isn't just for aluminum cans. Find a good tailor and cobbler, bring all those clothes and shoes that you were planning to donate or trash, and instead have them repaired and updated. You'll feel like you have a new wardrobe – for half the price.

**3. Park Your Money Wisely.** Now is also the time to shop around for a higher interest rate on your savings account deposit. Often, your own bank offers one or two little-advertised money market alternatives to the savings account that you currently have. Banks are desperate for deposits right now, so negotiate even if your deposit fails to hit a deposit minimum. If you've got a good relationship with the customer service person at your local branch, you'll be surprised what they're willing to do. If they won't play, some online banks, like ING Direct, are offering up to 5 percent interest rates on certificates of deposit, which pay a fixed interest rate for a fixed period of time, usually denoted in months. These are a good option if you don't need access to your cash for awhile.

**4. Take Up Hagging.** Finally, remember that many companies, determined to meet their bottom line in a tough economy, are eager to cut you a deal: Now's the right time to bargain for discounts on cars, gadgets, and even homes. It's a buyer's market, and many sellers are happy to make a suboptimal sale. Take advantage! Finally, if you're determined to shop for more frivolous items, check out some of Lola's favorite discount sites: froogle.com (online seller aggregation), Bradsdeals.com (online and in-store coupons and deals), cheaptoday.com (hand-selected in-store and online deals), and spoofee.com (links to online coupons and special offers). And remember to relish those oranges.

*"Money, if it does not bring you happiness, will at least help you be miserable in comfort."*

– HELEN GURLEY BROWN

**Lola's determined** to make this horrible economy energize – not swallow – her bank account. She loves the sites and tips included in this story.

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Kris Frieswick, author of *The Cheap Bastard's Guide to Boston*, lives in Boston and writes frequently about money.