

Hello Everyone,

*“And on some positions, Cowardice asks the question, ‘Is it safe?’*

*Expediency asks the question, ‘Is it politic?’*

*Vanity asks the question, ‘Is it popular?’*

*But Conscience asks the question, ‘Is it right?’*

*And there comes a time when one must take a position that is neither safe nor politic nor popular, but he must do it because Conscience tells him it is right.” –*  
**Martin Luther King, 14 JAN 1968, Santa Rita, CA**

Today’s missive doesn’t directly relate to the above quote, but I liked it and wanted to share it.

The goal over the next week or so is to give you a framework from which to assess Covid19 and the economy. I hope it helps you see the current situation more clearly.

Signed, Your How-Much-Longer-Can-This-Go-On? Financial Advisor,

Greg

## **KKOB 04.20.2020 Eight Stages of Crisis Part**

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**Bob:** So, Greg, on Friday we looked at the first four phases of what researchers call the eight stages of crisis. Those phases were:

- First, ***The Warning***
- Second, ***The Event***
- Third, ***Disbelief &***

- Fourth, **Panic**.

And, with Covid19, I'd say we've hit those. But, now we're on to stage five. And that's the stage you say we are in right now.

Correct?

**Greg:** Correct. This stage is called the **Hero** stage. It's here certain groups (or players) command our attention.

- The first group are the **true heroes**. You know who they are. The doctors and nurses who pull a shift, then go home and sleep in their garage so they won't infect their family. Add in those truckers, grocery workers, firefighters, police, foodbank workers, and so on. We all know them.

Group two I call the **pretend heroes**. These are people who fancy themselves as Spartacus or Joan of Arc. *"I'll save you. I know what to do!"* They have a movie-in-their-brain that only they can save society. Generally, they have good intentions, but bad judgment.

This is the hardest group to work with because once this group gets convinced of something, any new data or facts that get in the way of their "heroic-mind-movie" are either ignored or rejected.

For example, think about Angela Merkle in Germany. Because of Germany's declining birthrate, she came to believe unlimited immigration from the Middle East was the answer. Yet, even as the facts began to counter her view, she refused to change her policies. Only now, as she is leaving office, is she admitting, *"I made a mistake. I may have ruined my country."*

History is littered with societies that walked off a cliff following a pretend hero.

Anyway, moving on.

- Group three I call the **anti-heroes**. These people say things like, *“Never let a good crisis go to waste.”* To them, it is all about power and control. They’re typically insiders. They are clever and smart. They know their actions and policies are destructive to others, but they don’t care.

This group typically works from the shadows. Think of the big pharma lobbyist who sees Covid19 as a chance to get funding for a project he knows is harmful or wasteful...but will pad his wallet. Or, think of the financial wizards who benefit early from the printing of trillions knowing the inflationary devastation to follow. Or even consider the anti-gun or anti-church advocates who see Covid as a chance to advance their agenda.

- And finally, there is Group four. I call them the **opportunists**. They think, *“Hmmm, I can’t rob a house now, because everyone is home. I guess I’ll break into empty businesses and restaurants instead.”* These are the rabble-rousers who will instigate violent protests, not because they care about injustices, but because it offers a chance to loot the local mall.

So, Bob, to sum up, **real heroes, pretend heroes, anti-heroes,** and **opportunists** are the four groups you see operating in any **Hero** stage.

**Bob:** I can see all that now. I mean, as you talked, I could picture someone in each of those categories. I’d even say some people

cross the lines where **pretend heroes** could also have some **anti-hero** or **opportunist** traits.

**Greg:** Great point. The **Hero** stage is the pivot point of any crisis. And, looking at the politics of Covid right now, I would say *politically* the real heroes are not the grandstanders, but rather the politicians who have quietly assembled their staff and said something like, *“Look, because of Covid, we must think like a business does in crisis. Our tax revenues are going to crash. Clawing back could take years. If we raise taxes, it will be like poking holes in a sinking boat. Right now, we’re scrambling for facemasks, but long-term we will be scrambling for taxpayers. Therefore, find ways to cut budgets 30-50%. We need to attract enterprising people once this is over”*

**Bob:** Do you think that is going on here in New Mexico?

**Greg:** I don’t know. We’ll soon see. If it doesn’t happen, we will get to stage 6...**The Cliff**. And, at all costs, we want to avoid **The Cliff**. We’ll cover that Friday.

**Bob:** That was great. Thanks. How do people reach you?

**Greg:** My number is 250-3754. Or, go to my website at [zanettifinancial.com](http://zanettifinancial.com).

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