

Ep #444: Recession Thoughts



Full Episode Transcript

With Your Host

Brooke Castillo

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You are listening to *The Life Coach School Podcast* with Brooke Castillo, episode 444.

Welcome to *The Life Coach School Podcast*, where it's all about real clients, real problems and real coaching. And now your host, Master Coach Instructor, Brooke Castillo.

What's up, my friends? How are you? I'm amazing. I'm in Boise, Idaho right now, and the leaves are changing and showing off and I can't get enough of it. The hotel that I'm staying at has the most amazing walking trail right behind it, so if you know anything about me, you know I love a good walking trail.

So I have just been walking that trail and loving my life so much. I've been here for a week working on my business and having a VIP day and speaking at Russell Brunson's challenge and learning from all the other speakers at the challenge. Amazing experience for me.

I am learning so much about what's going on in business right now, what's working, and really spending time with service-based entrepreneurs that are really in it for the right reasons is such a joy for me. I love everybody talking about wanting to make the world better. And so I've had really, six full days of that experience and it just makes me want to go out in the world and do great things.

But one of the things that came up during a lot of the speeches and a lot of the talks that people were talking about was that there's this generalized concern about the recession, about a recession that could possibly be happening next year.

And I don't spend a lot of time watching the news or listening to the news because I know that it's designed to freak us out, so we'll pay attention and go into fight or flight. So I try to be really careful about the inputs that I put into my own brain and so I try to be careful with that.

But there were a few speakers that spoke to it and it's so interesting, I came home and I was kind of like, what is the deal? I always think in terms

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of Models, so what is the real C-line, circumstances, of a recession? What does that mean and what does it mean to me?

One of the things that's amazing about my business is that it's really recession-proof. Everybody is always going to need help with their brain and it's especially important when we're going through "difficult" circumstances. A lot of people seek out help when there's uncertainty in the world.

And so I never worry about my own businesses or my employees or my clients or anything like that when something like that is presented to me because I know that that is when we thrive. And I also believe that there are ebbs and flows to life. I believe in the concept of 50:50. I don't panic when things aren't going amazingly well because I understand that's the balance of the universe and there's always opportunity inside of everything.

So I wanted to share some of my recession thoughts with you in case some of you are having them. But I debated whether I should even write about it because I didn't want to bring attention to it. And when I say write, when I create a podcast, I always write in my journal first about what I'm going to write about.

So I wanted to really be careful not to put something in someone's brain if they didn't already have it in there. I didn't want people to start thinking about a recession that hasn't even happened yet if they didn't have it in their brain. So I kind of debated it.

But I decided that I would go ahead and put it in there. But I want you to just plug in wherever I say recession, possible recession, put in anything that you're worried about happening. It's kind of this projection onto our future that we put out there in order to worry about it.

So if we put into the C-line, the circumstance, we can't just put recession. Because not everyone can agree on what a recession is. And it's not useful to put it there and assume that it's provable in a court of law, factual, when we can't even decide what it means.

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So I looked it up in the Googles. I looked up what determines what a recession is, and it was actually a really good exercise for me. What I found on the internet is that, first of all, there's a lot of disagreeing opinions. Some people think that we're going to go into a recession, some people don't think we're going to go into a recession.

Some people think we're already in a recession, some people think we're not in a recession. And this is kind of what I gleaned from the facts is that a recession has some components to it. One of the main components, the main definitions of a recession is unemployment, the unemployment rate going up in a recession.

We are currently, according to that definition, not in a recession because our unemployment rate has not gone down. In fact, our unemployment rate is at the same rate that it was before Covid. So if we're looking at it by that definition, we aren't.

The other components of it are high interest rates, which for sure, the interest rates have gone up, but the economy is still doing well and it's still growing now and unemployment is not dropping at this point. Consumers are still spending, there's still strong wage growth.

So I thought that was very interesting. One of the things that's fascinating about the stock market is that it's very emotional. So the stock market is and certain stocks - if you want to watch a really interesting thing to understand about the stock market, watch the show on Netflix about Game Stop and how that stock was manipulated based on emotion and direction and influence. That was fascinating to me.

So the stock market has gone down and you see that it's because people are responding to this idea that there would be an impending recession. And then that perpetuates. Just like the Model, that perpetuates this idea.

So one of the things I want all of you to consider that's very important is no matter what is going on in the world, no matter what is possibly going to happen in the world, you get to decide what you're going to do in your mind. And what you decide to do in your mind will determine what you do in

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your body because it'll determine how you feel, which will determine what you do.

So I want you all to decide how you want to think about a possible recession, what it will mean to you, and how you will act within it. Most recessions last a year. 11 and a half months is what they said. And here's what I've learned.

Recessions are a great time to invest in yourself, in the stock market, in real estate if all the prices are going down. Recessions are great for people who have cash to spend because cash won't be affected as much by it.

And so this is why you'll hear a lot of stories about people who have a lot of wealth that isn't invested in the stock market, because a lot of times when you have wealth invested in the stock market, when you go through a recession, the stock market will go down. But if they have cash, they end up just buying so much more. And then after the recession is over, they have way more money than they would have had had there not been a recession, which I find fascinating.

And I like to believe that recessions and depressions and life events that are "negative" can be an opportunity for us to get stronger, for us to build within ourselves, for us to focus on what truly matters.

When you look at what happened with Covid, a lot of people, a lot of my clients I think because I did a series right when Covid started about how we could use Covid to make ourselves stronger, a lot of my clients used the time that we were on lockdown, in quarantine with Covid, to make their lives better, to make themselves stronger. A lot of people lost weight, got in shape, worked on their business, created value for the world.

The thing that's amazing about anything that's happening in the world is we can use it as an opportunity to create value with our minds. There's nothing that happens in the world that can prevent us from increasing the richness in our own life, investing in the asset that is our brain. That's why so many cool things can happen during quarantine because people are so focused on themselves.

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Many people used that time to become life coaches. They invested in themselves, they took the education and now are thriving in this growing industry because they made the decision then. So many people have improved their lives in terms of creating knowledge and studying and focusing and creating during that time, instead of just trying to steel themselves against it and wait it out.

When you feel yourself retracting from life because of something going on with it, you're missing the opportunity. Whenever something happens in the world that is deemed by the world as negative, it is your and can be your opportunity to really grow and invest and become stronger.

And so you get to decide what your mindset change will be. And if you choose a mindset that makes you afraid and makes you shut down and makes you do less, you will miss that opportunity. So here's how I am thinking about it, and I want to share my thoughts with you. I want to share my sentences with you in the hopes that maybe you will borrow them.

The first thing is do not let other people and anyone's panic influence you. Your brain is designed to be connected to other people, to have tribes, to have groups, to have families, to have connection. And we are very influenced by what other people think, and we want to feel connected by them. And one of the ways that we do that is by sharing their emotions.

So when other people are panicking, it's very easy to panic. I don't know if I told this story on the podcast yet but I'm going to tell it here. We were in Vegas, I don't know, about three months ago, and somebody had I think thrown something against the glass wall, like a stone or something. Or maybe they had shot at it. I can't remember.

There was a very loud noise in the Cosmopolitan casino that everyone thought was gun shots. And everyone started running. And we were sitting at a table playing Blackjack and all of a sudden, there's all these people swarming and running around us and ducking as if there was a shooter in the casino.

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And so we all kind of looked around to see what everyone else was doing and ducked. So we took our money off the table and kind of ducked. And as we were sitting there, ducking on the ground, kind of crouching on the ground, I thought in my mind - everyone was panicking, I thought in my mind, "If somebody does have a gun and is coming through here shooting, I don't want to be crouching on the ground. I want to be at least trying to get to my hotel room where I can at least lock the door."

And I looked around and I could tell that most people were not thinking clearly. Most people were panicking. And people were frozen and ducking down. And even - we were crawling. It was crazy. We were crawling behind the tables. We were in where the pit bosses, we were crawling around and everyone was kind of shaking, freaking out.

And I was with probably six people and I could tell everyone was like, offline. You know what I mean by that? Everyone was not thinking. I looked at everyone, I'm like, "Yo, let's go. Follow me." So everyone just started following me. It's like everyone needed direction, apparently from me.

I gave my friend Fonz a hard time about this. I'm like, "Yo, you should have been the one leading us. Why am I the one leading us?" He's always saying like, "I got you, I'll take care of you." He was not. That was not happening.

So I said, "Follow me, let's go get in the elevator and go to our hotel room," because we were actually pretty close to the elevator. So we went over there and I was surprised, it was so wild, I was expecting the elevators to be packed, like no one could get in to them. But they weren't because everyone was just on the ground hiding.

And I think the idea was if the shooter or whatever saw us running, that they would shoot us or whatever. But I was crouching down moving and everyone was behind me, we all got in the elevator, we went up to our room to safety. And I thought about that later and I realized that when we are in fight or flight mode, we're thinking with the smallest part of our brain.

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We're not thinking about things logically. We're not calculating logically. We're not being smart. And I do think my training, my life coach training really helps me in a situation like that to just be more logical. Like, this doesn't make sense, let's do something else, and at least make a choice.

Most of the people crouching down when there's a shooter on the way, we're not making a choice. They were just reacting in that moment. They weren't thinking, "Is this the best decision I can make right now because it's the decision everyone else is making?"

And I want us all to think about anything that happens in the world in a way where we make a conscious choice. We have these beautiful, amazing brains, these prefrontal cortexes that can make decisions about things into our future in such an educated way. And so often, we just jump in with the crowd. What is everyone else doing? Everyone else is panicking, I'm going to panic too.

And then we get into a situation where we're doing things that don't make sense. It's kind of like that crowd think. It doesn't make any sense. And that's what I want to recommend that you all do as you're thinking about the economy, as you're thinking about how you want to approach the next 12 months of your life, if there is or isn't a recession and how it will affect you.

And I know for me, no matter what happens in the world, I will use the next 12 months of my life to make myself stronger, to give more, to be more conscious, to manage my mind more. There are times when there's not a lot of challenging things going on and I don't need to be as conscious.

And when there are challenging things going on, I need to be more conscious. So don't panic I think is great advice for anything that you can make a conscious decision about. Panic rarely leads to anything good. It leads to reacting. So if you can manage yourself and preempt that, I highly recommend it.

I think the next thing for me is I will depend on me to take care of my own emotional state. And I will make decisions based on goodness and contribution and service and abundance and growth. No matter what my

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circumstance is, I can't control that circumstance, I can't control whether there's a recession or not, but I can control how I think about it and how I feel about it and what I do.

And what I do matters in "scary" situations. How can I serve you all and myself and the world in the best way possible? And what opportunities are there available that aren't available during high-speed, economic low-interest-rate times? What are the opportunities that lie within and how do people, how have people in the past utilized those opportunities to get stronger and better and to win?

If we can do well during Covid, if we can do well during a recession, then when we're not in a recession, game on. It's when you really get to hone your skills, when you really get to bet on yourself, when you really get to see what you're made of.

One of the things that happens during recessions is that inefficient businesses, businesses that aren't working smart and aren't paying attention and aren't being conscious, they have a hard time doing well. So it actually eliminates any competition that isn't working at the highest level.

If the economy is always growing and there's no flip side to it, and we're always just getting better and better and better and better and better, there's no reason - or more and more and more and more, there's no reason to get better. Things like this can actually be like, okay, this is the time, enough is enough is enough.

Now, if you think about a recession, one of the main things that happens during a recession is the unemployment rate goes up, which means people are getting laid off. And so many people, when I talk to them about life and when I talk to them especially about becoming life coaches, I spend a lot of time talking to people who are considering becoming life coaches, one of the reasons that they often give me is that they want more security, that they're afraid to be an entrepreneur, they're afraid to become a life coach because they're afraid that they'll lose the security of their job that gives them health insurance and pays them.

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And when you go into a recession, what you realize is that there really is no security. You could get laid off at any moment if you're not responsible and in charge of your own career. And it's times like this where I feel the most secure because I'm not worried that someone's going to lay me off. I've set up my business so I will never have to lay my employees off because of a recession.

I have an emergency fund in cash that carries me for at least a year with my employees if there were something that were going to happen. But what happens with life coaching is that actually, when times are tougher, people need us more. So we actually have the most growth during those times.

Recessions are about money for people and one of the things that people will say to me because I love talking about money and making money and being independent and having your own wealth is that people will say that's all I care about or I'm obsessed with it. And I always laugh, I'm like, "Listen, if you're in a job you hate and you're willing to stay in that job just for the money, you are way more obsessed with money than I am."

If you believe that you don't have a choice, or you're not actively working on a choice out of a job you hate into a job that you like more, you are definitely more obsessed with money than I am because I will not do that. There is no amount of money for me that I would be willing to be in a job that I hate. I just won't.

And I have a hard time believing that somebody who's employed by someone else has more security than me because someone else is paying for their health insurance. That feels like insecurity. I'm dependent on somebody else to pay my health insurance, I'm dependent on someone else to pay my salary. That is not as secure as paying for it myself if I believe and bet on myself.

So entrepreneurship is a beautiful solution to the fear of a recession because you really are dependent on yourself and you're not having to worry about being laid off because other businesses haven't provided for their employees. My employees don't have to worry about that.

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They don't have to worry about me laying them off because of something like that because I have provided for them and I've provided for myself, but there's a lot of really large corporations that don't see their employees that way, they don't see their businesses that way. It's just all based on numbers because they're huge. They have people that have invested in them and stockholders that they need to answer to.

So I think this is an amazing time to become an entrepreneur. To think about it that way. And just notice the shift in the thinking. Just notice how a recession could open you up and give you more courage and create more abundance in your life if you think about it in a different way, you think about it as an opportunity instead of something that should scare you.

And for all my life coaches out there, for all my entrepreneur life coaches out there, I want to lay down this opportunity for you. I want to lay down this challenge for you that this be your best year ever, that we help all of the people who are panicking, who are thinking this might be some big, scary, horrible year because a recession may last 12 months and interest rates are going up and house prices are going down, and actually finding the good and the opportunity and the leverage in the ebbs and flows of the economy.

We can't always just be going up. It's a natural correction. It's a natural part of capitalism and of the world and watching what can happen, and knowing what to do when the economy is booming and knowing what to do when it's checking itself, and being prepared and educated.

If we go hide and we only come out when things are good, we're only going to be buying at the top of the market. We want to be able to not have the fear of investing when the prices in the market are good, and put ourselves in a position where we don't have to worry about being laid off or unemployment being high.

We don't have to worry about inflation because we have the ability to make as much money as we want, even during the down times. It's just an

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amazing place of confidence that I feel like I have the privilege for sure of feeling.

And I will say that I have created in many ways that privilege for myself by choosing to be an entrepreneur and by choosing to work as hard as I work, and choosing to be in the business that I'm in and to create the level of contribution that I create.

And there are people in my exact same position that have the same exact privilege that they were born with and the opportunities that they were born with that don't take advantage of that, that don't put themselves out there in the way that I have and don't get to enjoy the same kind of security that I've created for myself.

And that, to me, is my mission. To help more, especially women, put themselves in a position where they don't have to worry about being laid off or a recession or a depression or something like that happening because, they, during the good times, are preparing themselves and they're utilizing the downturns in the natural ebb and flow of life to make themselves stronger and better and to prepare themselves for the evolvment that can come when we are faced with many challenges.

So I believe that over the next 12 months, you get to decide who you will be. Who will you be? You decide. How do you want to be during this time of pure opportunity? Who you do want to be? How do you want to show up? Do you want to be part of the panic? Do you want to be part of the turning the brains off and not thinking and panicking? Or do you want to be the one that thinks it through and offers leadership and offers guidance and offers a direction?

Do you want to be the one that's clinging to security that isn't really secure? Or do you want to be creating your own security? Stepping up for your own self, making your own decisions about who you want to be? Be very careful. We got to find a balance between putting your head in the sand and pretending like the world isn't happening because the world is happening on purpose. It's challenging on purpose.

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It's why we're here. Everything is not supposed to be great all of the time. It's only supposed to be great half the time. So we have to find the balance between putting our head in the sand on one of the spectrum of pretending like nothing is happening, and the other extreme, which is freaking out and panicking and locking down and shutting down and not functioning well.

Somewhere in the middle is your own personal agency, your own personal decision-making power. You can say because of that year, because of the economy correcting, because of the challenges in my life, I am now better. I am now more evolved. I have used that opportunity to make myself stronger. I went into it consciously and stayed awake and served.

One of the best ways to not panic, to not freak out, is to think about everyone else. Not just yourself. So when I was in that casino on the ground looking around at all my friends and thinking that someone was going to come and spray us with bullets, I was like, we got to get out of here, let's go.

I didn't just run to the elevator by myself. I brought everyone with me. I want to bring y'all with me. Let's keep our minds right. Let's stay focused on what we can do. Not on what we can't do. Do not tell yourself that you can't win, that you can't grow, that you can't be abundant during a recession.

This is our time. This is an opportunity for us to grow beyond measure. To be one of the stories of someone who didn't shut down, of someone who utilized this time to step up, to lead the way, to be an example of what is possible.

That is what I'm going to do and that's what I want to invite you all to do. So manage your minds, my friends. We got this. And listen, I think it's possible to have fun and to serve and to help other people who are challenged all throughout this. This is one of the reasons why I work the way I do. So I can be available to help when the times are tough. Available to lead when the times are tough.

Are you with me? Are you down? Let's go. Have a beautiful week everyone.

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