

## COPING WITH TURMOIL – SPECIAL REPORT

es. I would really like to travel some more, but I'll be honest with you, I'd like to see some growth in the market. In the last several months, my portfolio is down 40 percent. I thought I was pretty well diversified, but I guess not enough. I have seven different mutual funds, and they've really taken a beating. One of them, as an example, was down 21 percent, which is a heck of a lot. But over 10 years it's still up 24 percent.

"It really doesn't do any good to worry. You don't like it, but you can't do a darn thing about it. You just have to go for the long haul. I still have my Social Security and a small pension from a union I worked for, but I just hope we're near the bottom.

"I was in the Navy in World War II and lived through Pearl Harbor, but that was really small potatoes compared to what they did in New York. When you start attacking innocent

men and women and children, that's a whole different story.

"Personally, I'm not going to let it interfere with our schedule. We plan on flying to Washington (state) at the end of the month and going on a four-day cruise."

– Christopher Woodard

### Patsy Flanigan, Small Business Owner

*Flanigan figures a slowing economy might benefit her nut distribution business in Culver City.*

*People aren't eating out as much, and that means they are stocking up at the grocery stores, where Flanigan Farms distributes more than 40 nut and trail mix products – mostly in Southern California.*

*Although sales continue to grow, the 15-person firm has seen its customer base dwindle*

*through grocery store mergers. Flanigan Farms is responding by trying to broaden its customer base.*

"MY husband (Owen) and I started the business in 1970. He was a mechanical engineer and was out of a job during a recession in the aerospace industry. We decided there was a need for more natural foods in the supermarkets. There were some health food stores, but we felt there should be more natural foods available to all people.

"It was pretty lean starting out. To help out, I took a job with the (state) department of employment and later took a job at a school, but we managed to grow steadily over the years.

"We're finding now that despite the economy our sales continue to go up. As the economy slows, people tend to cut back on restaurants and eat more at home. That really works

in our favor. Another reason our sales are up is the movement to good health. Fortunately, the public is beginning to realize that nuts contain the good fat.

"But we are concerned about the economy. If workers compensation and other expenses keep going up, that could drive businesses and people out of the area. Also, the merger of grocery stores has reduced the number of chains and dramatically reduced our customer base. We're becoming a little uneasy. You don't want to have all our eggs in one basket.

"That's why we're considering ways to increase the venues we sell to. We're looking into making our products available to schools as a healthy alternative for fund-raising events, and we're also looking at selling to other institutions and the military. So far we're finding it's very difficult to get into new markets, but we're going to keep working at it.

"Just given world events you have to worry about terrorism. Los Angeles is another possible target I suppose. But I think the reaction of our government has been fantastic, and people have shown wonderful patriotism. I think that helps keep people from going into a panic."

– Christopher Woodard