

# What Can I Do About the Economy?

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Very few of us will appreciate how bad the world's financial systems are until many years down the road. If one or two of the problems discussed below existed on their own, there would be much less concern. When you realize all this and more is happening together, right now...well, it becomes a different story.

**The World's Economies On Edge:** The US dollar is worth less today than ever before giving up over ninety percent of its purchasing power over the last few decades. Wall Street's five largest firms before October 2008 are either bankrupt or merged and turned into commercial banks receiving billions in stimulus funds (see below). Our nation's largest insurance company (AIG), and the largest savings and loan (Washington Mutual), were seized by the government. As of mid December 2009, 140 US banks have failed. All but one of the US automobile manufacturing companies has been kept afloat with generous tax payer money as part of the TARP funds. You do not even want to know about the funding for what may be the two largest private/government companies in the world – Fannie Mae and Freddie Mac. These two, along with AIG, were at the heart of the toxic asset debacle resulting in the worst economic crisis since The Great Depression.

Although markets around the world have recovered to some degree, there still seems to be this underlying...well, dis-ease. Currencies on almost every continent are under pressure with some already failing; as in Iceland and Greece. Recently Dubai celebrated the opening of the tallest building in the world after basically declaring bankruptcy.

Late last year, China announced a 586 billion dollar stimulus package of their own. Even the tiniest of countries have followed the United State's lead by rolling out their own stimulus packages. To give you just a glimpse of what I am talking about, consider the following stimulus programs previously announced: Thailand – 1.1 billion, Indonesia – 4.9 billion, Philippines – 7 billion and Singapore announcing 20 – 25 billion. Viet Nam 8 billion. Even oil rich Iran has announced one to help offset its four hundred fifty billion dollar budget shortfall. The United Kingdom is approaching one trillion dollars in stimulus money when you count what they have given to their banks...which at this stage are mostly government owned and run.

The depth and breadth of these problems are staggering. With TARP funding, the federal government got intimately involved. The New York Times is tracking these dollars with a list you can access on line. To get there, click here: [NYT Stimulus Tracking](#)

**Real Estate:** Have you walked through a mall lately? National retailers like Mrs. Field's Cookies, Circuit City, Linen N' Things, Mervyn's, Pier 1 Imports, Sharper Image, KB Toys and the famed Filene's Basement in New York represent a partial list of retailers recently in bankruptcy. People are not spending money. April 16, 2009 article in Bloomberg reported General Growth Properties Inc. filed the biggest real estate bankruptcy in U.S. history after amassing \$27 billion in debt as one of the countries largest mall operators. I have seen smaller strip malls completely vacant. Businesses that close need less office space.

Over in residential real estate; December's numbers on new home sales showed yet another decline, down 7.6 %. The record number of foreclosures we have seen may not be the worst yet. If people are not paying their mortgages, they aren't paying their property taxes which fund roads, fire departments and schools. Even the most well run states are in trouble.

**Unemployment:** The media has been reporting that a month with fewer new cases of unemployment is a good month. It is not. America is still losing jobs and the number of jobs lost over the last two years is staggering. The government has changed the rules so much on who

gets counted as unemployed – they have lost all credibility. If you counted all that are unemployed like they did in the 1930's, we would be coming close to the same numbers in place during The Great Depression. These numbers are hard to validate but somewhere between 15% and 20% is a very good guess.

#### SO WHAT'S THE POINT?

I did not write this to scare you. I gathered this information so that you can get a sense of the depth and breadth of the problems we are facing. I believe that the odds are good enough that this will not change overnight but instead work itself out over time with more pain. Quite possibly a great deal of pain. We didn't mess it up overnight, we can't fix it overnight. So here is where it gets tough...

I have near grown children. I am not sure what they will inherit from us. However, this is America...we have always done things that other countries only dream of. So, like my Staff Sergeant used to say, "buck up Marine"...lets all buck up. I for one am tired of our country acting like victims...it ticks me off. Not here, not today, not on our watch.

Pay attention to what you buy. Reward the companies that offer services you need that are doing it right. Get involved. The job's too big to sit back and expect the other guys (the ones who always do it – you know who I am talking about), to do all the work. It may feel like time to retract and watch out for yourself and let the rest go...you can't, and you shouldn't. Let's get off of our collective butts and get going...don't wait for the government to fix it; they probably can't. They may even make it worse before it gets better....but IT WILL GET BETTER. It's just a season; and together we can shorten the season.

All of this is wearing on everybody...so I am sending out a plea: We need to stand together America...our neighbors are our brothers and sisters. Help them. Be the lead...don't wait for someone to show you kindness first...and finally pray. Pray with me. America could use some prayer right about now.

About the Author: Steve Peters brings 24 years of international business, equities and gold broker experience to help new and uncertain gold buyers avoid the mistakes so many make. To Learn more, go here: [3 Biggest Mistakes Gold Buyers Make](#)