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With each passing day, we get more news and information about how the new Obama Administration plans to handle the deepening economic crisis that has engulfed this nation. As 2009 approaches, we know that the New Year will bring more challenges and uncertainty – and it is our hope – it will hold some promise too.

By all accounts, it has been a ‘bear’ market on Wall Street for some time now. Technically, a bear market occurs when stocks fall 20% or more from their highs. Market losses continue to shatter records. And it’s clear that this bear market has ravaged every strategy and investment – nothing has escaped its claws.

With all the negative news, it’s hard to keep focused on one very basic economic truth: The global economy, along with the United States, will rebound and thrive. Yes, there are wild fluctuations daily in the market and the Dow Jones Industrial Average. But we must remember that strongly managed corporations are going to survive no matter what their stock prices indicate. The fact is that *companies* create wealth. They provide an economic benefit. You don’t hear much about that from the media, but that is still happening today!

As we’ve said before, crisis always provides opportunities. No one can predict the ‘bottom’ of this market. But we’ve experienced ‘bear’ markets before. And, yes, some of these ‘bear’ markets have lasted longer than the current one and stock/bonds/commodities have dropped in value tremendously in the past. As history has shown all of us – the investors, the shareholders – not only have survived – but also have prospered.

I invite you to take a few minutes and watch this video that really puts the issue into historical perspective. I’d like to thank one of our clients, Sue Lambert, for bringing this to our attention.
www.dfaus.com/library/videos/different

We remain committed to you, our clients. As always, please don’t hesitate to contact us with your questions and concerns. We are here with you and for you. We have been here before and have survived and prospered!

Sincerely,
George

George M. Kapusta, CFP
President