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History is in the making. We are all eyewitnesses as we watch the events in Washington & Wall Street unfold on an hourly basis. Times like this make it that much more difficult to sort through all the information and make clear decisions. This is especially true when the news creates concerns not only about our personal assets, but the stability and safety of the financial system & institutions that we depend on.

WHAT WE DO KNOW:

- A government “bailout” plan that includes our tax dollars is inevitable and imminent. It will happen because that is the corner that we find ourselves backed into at this moment in history. A credit crisis & crisis of confidence has formed within lending institutions worldwide and will only continue until some governmental action is at hand.
- No government plan will be a perfect solution. The plan will involve political agenda’s of the highest magnitudes. Special interest lobbyists are in a “feeding frenzy” right now as they spin their web of influence with the elected officials from both sides of the aisle.
- Certificates of Deposit in all banks are FDIC insured and the government will back that promise, no matter the financial solvency of the bank in question.
- Your TD Ameritrade money market fund is safe and not at risk of loosing any money. As we have reiterated before, TD Ameritrade is financially solvent and has no exposure to the investments of the recently failed Wall Street firms. Also, last week the US Government took the unprecedented step of insuring deposits in all money market mutual funds for one year.
- Using history as a guide, we know that volatility in the financial markets can be extreme at times. We also know that the stock market has rebounded significantly from each and every downturn, with some of the largest declines followed by the largest rebounds.

You can be sure we are monitoring these ever-changing developments very closely as this situation continues to unfold. The financial system will survive, stabilize and function. This crisis will pass. As always, we will continue to work diligently to sift through this very complicated scenario to provide you with the best recommendations possible. Please feel free to contact our office at any time with your questions or concerns.