OAKLAND UNIVERSITY

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Mittra Forum Provides Public Some Perspective on Financial Crisis

If the global financial crisis has your head swirling, your blood pressure up and you don't know what to do, let Sid Mittra, Ph.D, explain it to you.

Mittra, emeritus professor of finance at Oakland University, will talk about the current economic turmoil at 6:30 p.m. Wednesday at the Older Persons' Commission, 650 Letica Drive in Rochester. The talk is free and open to the public.

Mittra calls his presentation "The ABCD of the current financial crisis." In his alphabet, 'A' stands for arrogance, the arrogance of living beyond our means. 'B' is for bubble, the housing bubble. 'C' is for the credit crisis. And 'D' is for deregulation. He'll explain how they're all interdependent.

Mittra, who lives in Rochester, said he could never have predicted the current crisis and there's no silver bullet to get the economy back on its feet in a hurry.

"We have to learn to live within our means," he said. He places the blame for the current crunch on Americans' willingness to borrow, not save, in the mistaken belief that housing prices would never fall. Even an unprecedented $700 billion government bailout won't be enough, he said.

"I think the market sensed it, that (the bailout) is going to be just a drop in the bucket. The financial system is much too big for $700 billion to cure it. That's why the market went down."

Mittra said individual investment strategy now should depend on where you are in relation to retirement.

"If you can afford it ... hang in there," he said. "Nothing in the long run makes more sense than the stock market itself."

For those planning to retire in the next year, he suggests rearranging your portfolio so three to six months of liquid funds is available when the money is needed.

For those already retired, "If you need the money, you have to take it out. Take the minimum you can afford to live on every three months."

For those not planning to retire anytime soon, "Do everything you can to continue to invest," he said. "This is the best time to buy."

SUMMARY
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