

Investment Forum Program for Wednesday, March 19 at 10:00

Meeting Schedule Change

This is the last week that the forum will meet at 10:00. The OLLI Spring Program begins next week. During the Spring Program, the forum will meet at **11:30**.

Perspective: It is said that each financial crisis is different, although parallels are being drawn between the current situation in this country and the one that Japan experienced in the 1990s which involved prolonged severe recession and catastrophic asset deflation. If one wishes to read about plausible worst-case scenarios, columnists Steven Pearlstein at *The Washington Post* and Paul Krugman at *The New York Times* and Professor Nouriel Roubini at New York University (<http://pages.stern.nyu.edu/~nroubini/>) oblige with dire visions. Meanwhile, *smartmoney.com* columnist James Stewart and *New York Times* columnist Paul Lim paint a cautious, but more hopeful, scenario for financial market recovery. Finally, self-appointed economic spokesman Ben Stein in a *Fortune* magazine interview opines that the current crisis is more manageable than the one coming in the decades immediately ahead when millions of Baby Boomers with defined-contribution retirement programs reach retirement age with insufficient savings to provide for their own support.

Inflation Hedges: So, what's the best inflation hedge for individual investors? Well, according to *Barron's*, based on 40 years of data, owning the roof over your head and a diversified portfolio of common stocks top the list. What about commodities? Stocks have proven to be the best hedge and real estate the second best over the decades. But, on a shorter term basis, all bets are off.

Closed-End Funds: General American Investors (GAM) is a growth stock fund founded in 1927 that has delivered annualized average shareholder total returns of 15.5% over the past 27 years. Its annual report can be read at www.generalamericaninvestors.com.

Stock Talk: Genuine Parts Company (GPC) has been a buy-and-hold for 80 years. It is well suited for those who enjoy watching paint dry. It has a P/E of 13 and pays a 4% dividend. The dividend has increased annually for over four decades.

On the Website: Reading material on new topics is posted regularly at www.olligmu.org/~finforum/.