

The Latest Financial Crisis of 2008

My Two-Cents

Yes, it's true that the United States is in a financial crisis today cause by the mortgage meltdown. The mortgage crisis didn't happen overnight, it was years in the making. It will take a couple of more years before we in the public get to see the real magnitude of the problem.

The mortgage crisis first forced the merger of weaker banks into "stronger" financial institutions, or so we have been told. Stronger is a relative word, lets just say "larger" financial institutions. The U.S. investment banking firms were not immune to the mortgage crisis either. Bear Stearns, Lehman Brothers and Merrill Lynch went the way of the dinosaurs and Morgan Stanley may not be far behind.

As the financial crisis continues other financial institutions in the financial industry will begin to feel the effects on their bottom line. Mutual funds, pension funds, hedge funds and other types of funds will begin to see a decline in their value. The list goes on and on.

Whether or not our government will bail out these companies, it is the U.S. taxpayers who will pay for all of this mess in the end, and in more ways than one. In addition to paying for the bailout with our tax dollars, we will be paying through the deterioration in value of our homes, savings, investments, job security, purchasing power, and quality of life. The American taxpayers will end up footing the bill unless we choose to take a different path and let these companies live or die on their own merits.