

## Investment Forum Program for Wednesday, March 26 at 11:30

### Welcome to New Members

This is the first meeting of the forum during the OLLI Spring Program.  
New members will be greeted.

**Perspective:** Parallels are being drawn between the current surge of home foreclosures and similar events during the depression of the 1930s. But, there are significant differences. Back then, the national unemployment rate was 25%. Homeowners were being forced out because they had lost their incomes. Today, the unemployment rate is 5% and foreclosures are mainly occurring for different reasons. First, there were homebuyers who got in over their heads because they simply didn't know what they were doing. A recent survey suggests that about half of homeowners do not know the terms of their own mortgages! Second, there were those who knowingly took financial risks by buying expensive homes in the belief that an ever-rising housing market would bail them out over time or those who took large chunks of equity out of homes with inflated valuations that proved to be unsustainable. Finally, there were speculators who attempted to take advantage of a strong housing market and cheap money to finance a buying binge. Absentee property owners now account for more than a third of foreclosures.

**Commodities:** Standard & Poor's *The Outlook* is bullish on commodities for the long term and *Kiplinger.com* is cautionary in the short term. If both prove correct, a buying opportunity may present itself. There are three ways to invest in commodities: (1) A commodity index fund, (2) ownership in companies that produce commodities either through individual stocks or mutual funds, or (3) a country fund or regional fund that benefits from commodity production. Two stocks that may be of interest are Potash Corporation of Saskatchewan (POT) and XTO Energy (XTO).

**Stock Talk:** Suburban Propane (SPH) is an MLP that pays an 8% dividend and has a reputation as a steady performer.

**On the Website:** Reading material on new topics is posted regularly at [www.olligmu.org/~finforum/](http://www.olligmu.org/~finforum/).