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America's Financial Crisis

Graziadio faculty discuss the factors that led to the crisis and offer an outlook for the financial sector and the overall economy.

Ron Ford, PhD, Joetta Forsyth, PhD, Edward Fredericks, and Dave Smith, PhD

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Start

Ronald D. Ford: Thank you everyone. And so just a little bit about the process here. It's 4:32 by my watch. We're going to stop at 5:15. In just a moment I'm going to introduce three of my distinguished colleagues and ask them to make some brief introductory remarks at which time, we'll filter through some of your questions that are coming in via the Internet. Santiago is here with us. Thank you, Santiago for your hard work in pulling this together. In case they don't have it, can you give us the e-mail address to which they can send questions?

Santiago: Yes, that e-mail is gsbmalum@pepperdine.edu.

Ronald D. Ford: One more time.

Santiago: That's gsbmalum@pepperdine.edu.

Ronald D. Ford: Okay. Terrific. So if you send those questions in while we're chatting we'll do our best to get to as many of those questions as we can and those to which we can't get, we'll tell you what we might do with those to carry the dialogue forward. So let us begin. I should also mention to you that this call is being recorded. I don't know yet what we're going to do with it. We're probably going to put it all on CNN, maybe on ESPN, depending upon how athletic it gets, but we will be obviously judicious with what happens with the call, but I did want to mention that it is being recorded. So first, let me introduce Joetta Forsyth. Many of you know here as one of our distinguished Professors in finance. Joetta has some fabulous experience and a unique perspective on what's going on in the market today and I'll ask her to make her comments.

Joetta Forsyth: Thank you, Ron. First of all, I'm very pleased to be here and I've been looking over some of the questions that have been sent and they speak to the incredible quality and know how of our students and our alumni and I'm very pleased to be here. My goals today, one of them is to, of course, to help you understand and to answer as many questions as I can and also I would hope that we can really focus on what the immediate problem is. Because there's a lot of anger and people want to know why and who should we blame. But I would hope that we can try, at least, to some extent to focus on what do we do right now? Do we indeed have a financial crisis that needs to be taken care of immediately? Can we take our time? In other words, what can we do proactively to solve this problem and what's the best…

Ronald D. Ford: Terrific. Well, we'll have plenty of questions around that. I've seen several of them all ready. I look forward to those comments. Ed Fredericks is also with us, a distinguished Professor of finance. All of us are sitting in one room except Ed who's a little further down the road but I'm really delighted that he took time out of his very, very busy schedule in the last few days to join us on this call and I'm sure Ed will have some great insights for us. Ed.

Ed Fredericks: Thank you, Ron. I'm also very happy to be here and to share with you my thoughts on the problems that we are facing. And I think I'd like to first of all mention that a lot of blame and finger pointing is going around and a lot of disappointment and harsh feelings are being pointed towards the financial community especially Wall Street. And I don't think that Wall Street in itself is the culprit behind this problem. There's a lot of players. There's a lot of different agents that were out there that contributed to this. And as Joetta mentioned I think the most constructive thing to do at this point in time is to understand this situation and try to determine how we can move ourselves forward as quickly as possible, get the markets, get the banking system, get the housing industry back on firm footing and let us concentrate on much more pressing and important matters. So I look forward to your questions and thank you for joining us.

Ronald D. Ford: Thank you so much, Ed. And last but not least the devastatingly handsome and brilliant Dave Smith is here with us. Dave is one of our most distinguished professor's of economic. Many of you have enjoyed time with Dave in the classroom and otherwise he's really outstanding individual. He is my private priest but we don't talk about that very much. And Dave will have some interesting comments to share with us. Dave.

David M. Smith: Well, thank you, Ron. I've always been told that I have a face for radio so I appreciate your comments about my looks. I just want to echo the comments of my colleagues. I'm hopeful that we can find a solution to this financial crisis. And for me it's really imperative because if a solution doesn't come fairly quickly then we're going to have our very long protracted economic recession. We're all ready likely headed for one but I think to the extent to which we can address important issues sooner rather than later will be correlated with the performance of the worldwide economy over the coming months and potentially years. So I'm looking forward to getting your questions.

Ronald D. Ford: Okay. Terrific. Thank you very much, Dave. So the questions are coming in fast and furiously and we're going to do our best to vet those as we go along here. And we're going to try and choose those questions, there are lots of them here, and I'll tell you more about we'll do with the ones we don't get to in a minute, but we're going to try to choose those questions which sort of have the most meaning to the most number of the hundreds if not tens of thousands of people who are listening in on this call. So let us begin. An interesting development today for the accountants who might be involved in the call. Some would say at the end of the day we need to blame somebody, why don't we blame the accountants, they're easy to beat up any way. And the accountants have had these strange sort of mark-to-market rules whatever that means which have arguably caused a bigger part of the financial issues that we're having right now. And today some announcements were made about potentially revising or relaxing some of those rules albeit it temporarily, any thoughts about that folks?

Joetta Forsyth: Well, I think it's clear that the mark-to-market has definitely contributed to this crisis because when the value of the mortgages started falling as defaults rose, then the banks in order to satisfy regulatory requirements were forced to sell off some of those mortgages and collateralize debt obligations that were based on them. What this did was cause the value of these to fall even further and therefore the banks had to sell even more. This created a downward spiral that definitely, in my opinion, did contribute to the crisis. So the question is should we get rid of the requirement and to what extent would it help? Now, I believe it would help to get rid of mark-to-market because there wouldn't be as much pressure on banks to sell these securities and these mortgages off. However, I'm not convinced that it's going to solve the problem by itself because there is still a lack of confidence in the solvency of banks and other financial institutions and allowing them to change their accounting does not ultimately resolve questions about the value of the underlying assets that they're holding.

Ronald D. Ford: So maybe just a band-aid, one band-aid.

Joetta Forsyth: Well, it's helpful. Maybe it's a little more of a tourniquet but it's not going to work by itself.

Ronald D. Ford: Along the same lines, I guess, there's some conversation today by the Federal Reserve, by the FDIC revising the deposit insurance maximum from $100,000 per account to some higher number. What's that going to be? Go ahead, Ed.

Ed Fredericks: Well, currently, the depository insurance is set as probably everyone knows at $100,000. And people with liquid balances above and beyond that have to either worry about the quality of their depository institution or figure out ways to get additional coverage. And basically a solution that I've seen man people do is that they open multiple accounts and they just ensure that each account does not exceed the $100,000 level. So there's a fairly easy, not very imaginative ways to get around the lack of coverage above $100,000 balances and also given that the average person probably does not have liquid balances of those amounts and if they do have and they're only temporary this issue probably would not have much of an effect on the overall banking system. Now, what it could do in case of rumors of a bank failure and a run start it might make some people feel a little bit more comfortable and not make them automatically run to the bank but that's not what you would call an event that occurs every other day. And so again my feeling is that it would have very minimal effect on solving some of the problems that we're facing going forward.

Ronald D. Ford: Thank you, Ed. Part of the solutions that are being proposed in the last 24 hours, could be described as sort of more surgical solutions as opposed to the radical solution that had been proposed and arguably agreed to over the weekend. There is some thought that when Congress comes back on noon on Thursday that they may go back to a more global macro level solution. What do you think, does this thing require a macro solution? Or can it be solved with surgery.

David M. Smith: I'll go ahead and jump in Ed, and then you can follow up with me. My sense is that the Treasury has a lot of tools available to it and if there is no agreement on a larger plan, then I believe they'll have to enact those tools and whether it's increasing the involvement of the FDIC or other things that are available to them. But I really believe that in order to avert the crisis more quickly and I know there's more risk involved in a larger macro policy that's being proposed I really believe that that would avert kind of this crisis in confidence much more quickly. So my sense is that a systematic approach-- not a systematic approach by a larger payout as is being proposed would provide more confidence to markets in a more quick manner than a surgical approach as you noted around.

Ronald D. Ford: So there is this sort of notion of faith and trust that needs to be regained.

Joetta Forsyth: There's something about financial institutions. It's all based on what people think. You could have a very sound bank compared to other banks. But if people get the idea in their head that you're going to go under it can happen in a blink of an eye because your funding is very short term. In order to stay in business, you need to borrow every day. So if people get it into their head you're going under, you will go under, and that's why what people are thinking and the extent that they're worried is so important to financial institutions. This is a crisis of confidence.

Ronald D. Ford: And is the United States government the only institution with enough depth and breadth and substance to restore this confidence?

Joetta Forsyth: I believe that is absolutely true.

Ed Fredericks: Undoubtedly yes.

Joetta Forsyth: The government has to act. And if they don't pass this bill, the market has been gyrating wildly looking at what Congress is doing. But I believe the market ultimately thinks that Congress will do something because as stock prices fall they have to. But I believe strongly that if we fail to pass a bill, comprehensive bill of some kind, we could be potentially headed for financial collapse. That's why it's so important that everyone educate themselves to the crisis and that they contact their Congressman and ask them to make sure that we solve this problem.

Ronald D. Ford: One of my students last night, I thought, very cleverly said warning moral hazard again. Aren't we just perpetuating starting with Chrysler and going through the S&L bailout and now here we go again. What is the thing the moral hazard, are we falling into it, Dave, what do you think?

David M. Smith: As our alumni remember, moral hazard is a situation where if somebody is insured and isn't accountable and don't have to pay for their own actions, they tend to be negligent. So if I as a banker am bailed out and out of this situation which arguably some of my actions caused the actual crisis, then I might be more likely to make bad decisions again in the future. I'm not as concerned about moral hazard at the institutional level because I think there's going to be a wave of regulation in the future that's going to keep some of that under control. But I am concerned on an individual basis at a consumer household level that if individuals may stop paying their mortgages if they think, well my mortgage, I'm not going to pay that because I know the government is taking care of it anyway. So I do have some concern at the individual level with moral hazard, there being more defaults as a result of this government bailout. I think it's a legitimate issue to be concerned about.

Ronald D. Ford: Without being political, thought, I've can't help but tell you that I've got this thing gnawing at me which is I've got Paulson and Bernanke up there, former investment bankers, guys who arguably helped get us into this, standing on the stage telling me that there are weapons of mass destruction and we have to do something and we have to do something now. I'm still tossing and turning over that. Can I trust these guys? Must I trust these guys?

Ed Fredericks: Paulson has a background in the capital markets and so I think we're pretty lucky that we have a gentleman that comes from the capital markets, we have someone as Treasury Secretary that comes from the capital markets that understands these very complex instruments and the ramifications of what they can do and are doing to the financial system. So I think Paulson is the right man for the job. And as for Bernanke he's been criticized for being a little slow to respond to the crisis, that was the complaint that we heard back in late 2006, early 2007 but he's been very innovative. As Dean Smith has pointed out the Treasury as well as the Federal Reserve have quite a tool set at their disposal. And Bernanke has been very innovative with his options and with his willingness and ability to get in and get his hands dirty. Take a look at the Bear Stearns incident that was a very, very dramatic development and Paulson and Bernanke did move very quickly and swiftly and clean that up. So that really the only problem we had was really contained in one day with the financial markets being down and then quickly recovering. So trust, well, I don't think these guys really are out there to play any political cards. And I think these guys are the right people for the job with their backgrounds and their intellect.

Joetta Forsyth: I'm going to have to agree with you on Bernanke. I think overall he's done a good job whether he might have been a little slow or not. But the problem is that people are so angry that they want to know who's at fault and there's no confidence out there in be it the Congress or the President or whomever to fix the problem. I would point out, however that I believe something needs to be done right away and we're stuck with the people that we have basically and pointing fingers is only going to make the idea of getting things done right away much more difficult. One thing I would voice though is my disappointment that more academics have not been brought in to opine on this crisis. We've been calling in people from Wall Street who may have their own money at stake and politicians who have their reputation at stake it would be nice to hear more from academics, I believe, on this crisis.

Ronald D. Ford: I want to get real personal about this for just a second because we have friends and family and fellow colleagues who have lost their jobs, who are losing their houses and who are-- these are quality people with an unbelievable education and they're going through some tough times. We've got people, employees who are wringing their hands over their 401 (k) checking their balances online wringing their hands over the declines in their 401 (k's) and wondering what does all of this mean to them? What are your thoughts? How bad is this going to get? And what are some of the things that I personally need to do during these troubling times?

Ed Fredericks: Well, I work in the markets myself. I handle the wealth of a number of families and what I keep on telling on them is that this is really a situation that we can work through and are actively working through it. We do have some people that are trying to profit from this. You've probably seen or have heard about the moratorium on the short sales of financial stocks, et cetera. There's people out there that are not helping and are probably creating a little bit more volatility than we're all used to having. But I have no doubt that we will get through this. And as Dr. Forsyth has said that the quicker we do get through it, the quicker confidence will come back and we can move forward. So given that it's really a short term hopefully situation I don't think it really warrants to make a strategic change in your portfolio mix at this point in time. And there's all sorts of anecdotal evidence or rules or lessons that people point to such as the idea that the majority of returns come on a handful of days throughout the year. And if you aren't in the market for those days you'd tend to lose quite a bit of the average return that different financial assets will provide. So you don't want to react to your emotion and say "My gosh the market is down XYZ amount, therefore I need to get out." That's an emotional response. And remember, if you're an investor you're in it over a certain time horizon that fits your financial goals and I would stick to your goals. And I would not necessarily react to a short term event such as what we're experiencing now. So from what I've seen or from what I've heard is many people are starting to say or are starting to think that perhaps this is an opportunity rather than a real problem in terms of investments. And I've seen some of my cohorts as well as people on TV and in various programs start saying well perhaps this is a good time to buy some very inexpensive assets. Stocks are down. The S&P as of yesterday was down about 24 percent, I haven't done performance for today. It was up about four or five percent. So the S&P, the broad market is down about 20 percent this year, that sounds like an opportunity to perhaps look around for some great companies or to increase your allocation to equities. So again I wouldn't be emotional. I try to be rational and look at the long-term, look at your long-term situation and keep those goals in mind.

Ronald D. Ford: Thank you, Ed. Joetta.

Joetta Forsyth: I agree that investors need to be calm and rational. I would simply suggest people look at their circumstances, if you're young and you can take a little risk then okay, you might want to invest in stocks if you think there's a recovery coming. On the other hand, if you're near retirement or at retirement you want to play it safer. These are basic investing principles. The volatility index was up around 45 today. It's the highest ever measured. So the market is full of a lot of risk. So as an individual investor you need to think about whether you're in a position to try and take advantage of that risk or whether you need to avoid it.

Ronald D. Ford: Dave.

David M. Smith: Those are all good comments and I just want to comment that as Ed said, these are emotional times and the research has showed up people make bad decisions sometimes when they're emotional. So I would stick to the strategy and follow the sound investment principles that are well known.

Joetta Forsyth: And the other thing I would say is be diversified, don't put your eggs in one basket.

Ed Fredericks: But it's probably too early to go for mortgages.

Joetta Forsyth: Yes. It's not what I'm doing.

Ronald D. Ford: I would add to that as I've been thinking about this and talking with folks in the last couple of days o it is quarter end. In fact, one of the questions that was submitted was, "So it's quarter end today, to what extent is there window dressing going on here. Is any of this exacerbated by quarter end," any thoughts on that?

Ed Fredericks: I thought yesterday was exacerbated by quarter end because not only is it quarter end but it's also the Jewish high holidays. And if you looked at the market today volume was fairly or I should say significantly lower only because many of the people of the Jewish faith were out of the market. And so perhaps you can look at Monday's sell off and attribute that much more to people saying, well, I have to take care of personal issues tomorrow. I won't be in the markets. I better do what I need to do today which is raise some cash and what have you. So I look at yesterday as being more of issues associated with the end of quarter.

Joetta Forsyth: I think the fact that Congress failed to pass the bailout bill had a whole lot to do with it, though. And the market is really watching that.

Ed Fredericks: Undoubtedly. So we were own 43, 45 points to begin with for most of the day. And after the announcement the market went down with trading down around 60 and it was really in the last final moments that you saw this cascading sell off as if it was kind of a knee jerk or even perhaps some type of automated strategy like a program trade or something.

Ronald D. Ford: You're not suggesting to me though in any way that the market acts irrationally are you?

Ed Fredericks: Only in the short run.

Ronald D. Ford: So along the category of sort of friendly Dutch uncle advice, it's now September 30. You have your quarter end statements either online or coming to you in the mail in your accounts and so forth. One of the things that might make some sense for you to do regardless of your risk profile is take a look at your returns for the last quarter, the last year and so forth and take a look what your statements are showing you relative to some benchmarks, relative to expectations, relative to the market overall. And to the extent that your portfolio declined significantly greater than the market in the last 30 days and 90 days, for example, you might look at what your portfolio mix is, would you agree, Ed?

Ed Fredericks: Certainly yes. I think you should do it periodically and given the upheaval you might want to take a look. But again, if you're going to open up your envelope and suddenly grasp for air as you're shocked at the change in value, again, September was a very, very nasty month in terms of performance. Perhaps you should maybe put that off. Again, if you have cash and you were waiting for an opportunity it's not a bad time to perhaps put that cash to work. But again being as emotional as things are I'd hate to have you open your envelope and say, okay, well now let's go to bonds, let's get out of equities, let's change everything because I just don't like what happened in September. So yes, if you can stay rational and really look at in terms of what you're hoping to accomplish in your goals then yes at the end of a quarter is a good time to do that.

Ronald D. Ford: One of the pieces of advice that I often give my thimba [ph] students, some of the younger students is save money while they're young, pay themselves first, fill up their 401 (k's) or 403 (b's) make sure you fill those things up. And some of them have said to me in the last few days, "I can't believe you told me that, now look what you did to me. I'm going to stop putting money in my 401 (k) or my 403 (b), all right."

Joetta Forsyth: Well, imagine how the people feel who didn't get good advice and are loaded up with debt and who didn't save anything imagine how those people are feeling would be my response.

Ronald D. Ford: Thank you. Would you tell people to stop putting money in their savings, stop putting money in their retirement savings now because the market is so volatile?

Ed Fredericks: No. It's not a matter of contributing or not. It's just a matter of where you're allocating to, but you need to contribute. It's a great opportunity Uncle Sam gives you, you're allowed to put pre tax money away. And if you are concerned about your loss of value just about every 401 (k) has a short term investment basically a money market and allocate your funds there. But take that allowance that Uncle Sam gives you, it's a deal that you need to take advantage of.

Ronald D. Ford: Okay. Well, we're coming to the last third of our program ladies and gentlemen, and it's the best part we saved the best for last. Because we're going to take just a few minutes to kind of reflect on what we've talked about so far. We could have spent the entire 45 minutes, in fact, we could spend 45 days figuring out whom we should shoot relative to who got us into this mess. Someone suggested earlier this morning that perhaps what we could do is actually sell Washington D.C. for approximately $700 million and solve the whole problem which may be a reasonable solution. But we didn't spend a lot of time figuring out whom we should shoot. Once we get the fire put out maybe we can figure out what the cause was and what we do about it. But right now we're fighting a fire. And what I've heard described here in this conversation has a lot to do with market confidence and stability where there's fear and uncertainty which is the bane of investors and the market is extremely-- if their actions are sound-- that's what we're seeing right now. I'm going to turn to our panelists for some final thoughts in a minute along sort of what happens next maybe prescription for what ought to happen next and what they anticipate might happen next. And because we're an applied business school, then we'll spend a little bit of time what that means to us. Any thoughts?

Ed Fredericks: My thoughts are that in order to get out of this crisis and get the economy moving we do need housing and all of the related industries. Given that, we've had years and years of what you can arguably call over building it will take some time to get housing back on its feet. But we still, in the mean time, we need to work on bringing up the mortgage markets so that banks can originate mortgages and securitize them and get these assets off of their balance sheet. Those are the real issues that will ultimately lead to a return of housing or an improvement of the housing, a functioning mortgage markets and banks willing to lend. I think Paulson's plan with the auctions, the reverse auctions I think is feasible. I think it solves both problems. It does take assets off of the balance sheet and it does set some price levels so it will bring some stability and some price discovery to the mortgage markets which then hopefully will allow housing to eventually recover.

Ronald D. Ford: Joetta.

Joetta Forsyth: I think something needs to be done and it needs to be done right away. I am actually concerned about a financial collapse. There is a tremendous amount of fear in the market and it's kind of like a snowball. If it gets too big and starts going too fast nobody is going to stop it. So this isn't something we can wait on and fine tune in my opinion we have to do something and we have to do something right away. I like the idea, as well, of getting the mortgages off the books of the banks. There are alternatives that have been suggested, more free market solutions. That's fine too but we need to do something and we need to do it soon. I don't see the housing market stabilizing for a long time. And so I think it's best to gets the mortgages off the books and that will free up banks from a lot of worry, a lot of fear so that they can start lending again because this is hitting main street. Businesses are having trouble getting funding. We need to free the banks up so they can start lending to businesses. All sorts of credit is drying up and it's going to create a lot of trouble. So the quickest and the simplest thing to do and it's not the perfect solution but it will move us in the right direction is to get this off the books of these banks.

David M. Smith: Well, for me one of the interesting things is Ron you used the analogy of a fire. I think after the fire is put out we're going to have to go in and assess the damage because just in the last few weeks there's been a significant amount of deficit spending that's gone unspent because of credit markets drying up. And even over night markets have seized and companies can't even get a return on their cash that they have available on our potential, our losing out on hundreds of thousands of millions of dollars a day that they've counted on before. So for me as an economist one of the interesting things is going to be to gauge how important this impact of this financial crisis, the impact that it's going to have on the economy in the long-run. We certainly it's going to have an important impact. And I think the extent to which it is solved sooner will lessen the impact over the next year or two.

Ronald D. Ford: Thank you. Let me just sort of add as we begin to wrap up and I'll ask this group for any final thoughts they may have, at a slightly higher level the market is the market. It's going to do what it's going to do. My grandfather used to say how you do what you do is more important than what you do. And so on a personal note I would say I view this as a really good time to focus on the things that I can control and less on the things I can't. That I would say the single greatest asset that anyone on this call has, unless Bill Gates is one the call, the single greatest asset anyone on this call is not their portfolio. It is you. And the thing that you can most control relative to the uncertainty in the job market and in the economy is your focus and your work effort. This would be a really good time, for example, to drive revenue and profitability inside your company, you personally. People who drive revenue and profit in companies, particularly in challenging markets have a tendency to be kept and rewarded. And this is a really good time for strong people to take a deep breath and be a calming voice and drive results. And this, I would encourage you to give some thought to that. I would also say to you and this is a little bit of being Pepperdine unique, I think, this is a good opportunity for you to think about other people. Think about the people who are around you, most of whom are not nearly as fortunate as the people who are on this telephone call. And be sensitive to the fact that your friends and neighbors are hurting. Find it a pay forward it thing this is a real good time to invest your relationships and helping other people. I would encourage you to give some thought to that. So we're wrapping up now. I want to go around the room to our distinguished colleagues to Ed Fredericks and Joetta Forsyth and David Smith, thank them again for being here and ask them if they have any final comments.

Ed Fredericks: Joetta, would you like to start?

Joetta Forsyth: Okay. One other thing I would say is be informed. You're being informed just by this phone call but make sure you're fully informed and contact your Congressman and make your voice heard. I've tried to argue that we need to get this bill passed but think for yourself and contact your Congressman and put your two cents into this process and let's keep it moving along.

Ed Fredericks: Again, I'm just appalled by the finger pointing and the lack of progress and the partisan element that we're seeing in our legislatures. And I think we're all much better served if we do keep our eye on the ball and do work for a solution of this problem. Hopefully, on Thursday when Congress does come back hopefully they will make progress. Hopefully, they will put their partisan issues aside. And they will do something for the country. If that occurs then the stock market, the capital markets will start focusing more on fundamentals and a lot less on risk and issues as to who's going to fail tomorrow. So I think that given the softness in the market and given that we do make progress that the House, the Senate and the President do sign off on some bill I think that we could have some very attractive days going forward. So again don't react emotionally. Think things through. Ensure that you understand the ramifications of your issues, again, this is for your own portfolio and act for the longer term keep your goals in mind. So thank you very much for allowing us or allowing me to take part and please don't hesitate to contact me if you have any other questions or issues. So take care.

Ronald D. Ford: Thank you. Dave.

David M. Smith: Trying to end of bright note. These are certainly exciting times that we're living in and also very anxious times. And somebody very important once said there's nothing to fear but fear itself. And as we go through these times which certainly can cause some anxiety I think we can rest upon, as Ron said, the thing that have true value in our lives. And also as well the economy has been shown to be very resilient. I mean after 9/11 our economy showed tremendous resilience and I expect in this time we'll also be impressed with the resilience of our economy as we face this very significant crisis.

Ronald D. Ford: Thank you, Dave. And thank all of you. In closing, a couple of thoughts. One, thank you again, everyone for being here this afternoon and for joining us on this call. There were a number of wonderful deep and rich questions that we simply couldn't get to in the time period that we had but that's the bad news. The good news is this dialogue will continue. Joetta's posted a blog which is becoming enormously popular very fast. She posted a blog called "America's Financial Crisis" at the Graziadio Business Report Web site. Santiago, how would one find that Web site?

Santiago: You google it, America's Financial Crisis on the Graziadio Business Report you'll find it.

Ronald D. Ford: Terrific. There are number of responses all ready and dialogue going on about that block. I encourage you to take your questions there if we didn't get to them and continue the dialogue among yourselves. It's a really great opportunity. Ed is also a noted speaker and frequently quoted recently on NPR's marketplace which is a great show by the way, and you can listen on Ed's comment's on NP and Santiago is going to give you the site.

Santiago: Again, if you google it it's called the name of the article is "Bailout Bill Gets Tangled Up in Views". If you go on Google and search NPR "Bailout Bill Gets Tangled up in Views" you'll have access to the podcast, actually and you can access that there.

Ronald D. Ford: And finally, those of you who get the L.A. Business Journal or you could probably look online on the L.A. Business Journal and find Len Rushfield's most recent article called "Sent to the Back of the Class" it's a great column, in fact, several of our faculty are being quoted on a daily business in the Wall Street Journal and other articles. John Mooney was quoted I think it was today. And so you'll be pleased to know that your investment in Pepperdine is going well and your colleagues and faculty are being quoted often and looked for advice. So let's lean on each other, let's support each other as members of the Pepperdine family. It's not 5:14 and we're going to finish one minute early and consider that a return on your investment. I appreciate you all taking time and we look forward to the next conversation. Take care.

End