



# OPTIVEST

Turning Success into Peace of Mind.



## The “New Normal”

Like the aftermath of 9/11, I believe that the United States will have some lasting implications from the near collapse of our financial systems and our current worldwide asset devaluation. I have been an interested observer, as you may have, in the rapid unwinding of asset-backed leverage and the subsequent damage it has caused across all investments and previous assumptions of what is safe and truly secure. In addition, our political climate is similarly changing faster than anticipated, with new programs being announced almost daily. All this has understandably caused a high level of anxiety and fear. Most of us long for a return to the “normal” that we thought we understood and knew how the rules worked. While I am not a doomsayer, or believe that we are entering a decade of economic depression, I nevertheless do not believe that we will be returning to the “old normal” either. There are simply too many shattered dreams of homeownership, retirement plans, careers and investment norms to handle debt, spending and savings in the ways that got us, as a nation, in trouble.

Therefore, here are what I believe will be some of the “New Normals” for consumer’s behavior:

- 1) Homes are to live in. The main way that a home will help you retire is to have it paid off (not rapid appreciation).
- 2) Little or no debt, and low monthly payments, will be many families’ goals.

### Contact Us

24901 Dana Point Harbor  
Drive, Suite 230  
Dana Point, California 92629  
949-363-8686

or visit our website:  
[www.optivestinc.com](http://www.optivestinc.com)

- 3) Consumer spending will pick up from its current depressed levels, but purchases will be better thought out, value oriented and more appreciated.
- 4) Savings rates, after the initial current spike of 10%+, will stay high at 5-10%, and be balanced with debt reduction.
- 5) After being burned by 50% drops in value, *twice* in the last decade, families will be leery of the stock market and hold more CD's and other traditional savings vehicles.
- 6) The public will look more and more to the government to solve their problems and more people will become dependent on government programs.
- 7) The dream of retirement, really only a concept since the 1950s, will be changed to part time work and government assistance.

A few more random thoughts and observations:

- 1) Greed is out, sharing the burden is in. More social programs, and taxing the rich to pay for it, will narrow the gap between the rich and the poor. It will also cause a flight of talent, slower innovation and less motivated workers across the whole work spectrum.
- 2) The United States has a serious risk of high inflation (or stagflation), a weak currency and greater dependency upon the co-operation of other nations. Like closing the gap between the rich and the poor, the U.S. may become less of a superpower and closer in stature to other top developed nations.
- 3) Investments that work well in the above environment and consumer behaviors are: short and medium term tax-free municipal bonds, select sectors of the stock market; commodity based assets, basic needs real estate, Swiss Franks and other stable currencies and surprisingly, real estate loans with new, conservative underwriting.
- 4) Family, friends, religion, environment, health, peace of mind, compassion for others and appreciation for life's journey will become increasingly more important than money, material possessions, fashion, power, stature and success.

Mark Van Mourick  
3/23/09



---

Investment advisory services are offered by Optivest, Inc. under SEC Registration and securities are offered through Gramercy Securities, Inc., member FINRA & SIPC, 3949 Old Post Road, Charlestown, RI, 02813, 800-333-7450.

