

# WHILE YOU WERE OUT



## Freakynomics

Getting your finances squared away for the end of the ~~year~~ world.

By Stanley Bing

**I**'M ON OVERLOAD. Every day I open the papers, magazines, and websites and get way too much information. Being uninformed seems like one of the old-fashioned luxuries that have gone the way of the DVD. No, wait! DVDs not gone yet? Well, I read that thanks to the miniaturization of hard-drive technology and online streaming, they soon will be. What am I going to do with my entire closetful of them? See what I mean? *Augh!*

On the other hand, there's an upside to all the fact, opinion, and speculation to which we are subjected. It helps us get ready for any eventuality, and I say "any" because absolutely all of them are out there, each put forward by one pundit or another with equal self-assurance. And me? Because I'm something of a moron on a wide variety of subjects, I believe them all. And I'm preparing accordingly.

First, I'm getting all my money out of the banks because according to quite a few experts, we've only just begun to see the effects of the debt crunch. After the first round of write-downs, I'm told, there will be defalcations, not to mention defenestrations, involving defaulted mortgages, and the banks will be left holding bad paper and, even worse, tract housing in undesirable locations. After that, who knows? Your local bank could soon be a new Rite Aid.

Except wait. All that money I just pulled out of the bank? I'm putting it back in, because we're about to go into a recession. Some experts say we're waist-deep in one already and have been for a while, unless we're not. Just the word "recession" makes me feel nervous. An insured money market in my local financial institution looks like a good bet.

Except wait. According to the *FT* a couple of days ago, we're not in a recession, although even if we are, what people are really freaking out about is the chance of inflation. And inflation is worse than recession, unless it isn't. With inflation you don't want your money in the bank; you want to see if you can ride the wave and invest in equities that will accrete over time, which is what I'm planning to do. Inflation makes the dollar worth less, which means you should have growth instruments?

But *uno minuto*. If I have fewer actual dollars, how am I going to purchase gasoline for my car? Oil is around \$100 a barrel, and the experts keep saying, *You ain't seen nothing yet*. I'm going to need cash to get my big fat gas-guzzler from one place to another. And that means putting a big wad of green in a safe place so that I can siphon off a bit every day just to stay on the road. But hold on. Freezing my wherewithal like

that might be the exact wrong thing to do, because it's possible we're not going into a recession or seeing inflation at all! I read elsewhere we're heading for a full-bore, all-out depression! Lord have mercy! In a depression you would want to make sure your stuff is 100% safe in a triple-insured, tax-free, low-yield instrument that holds its value over time. That means bonds. Or not. So the money I took out of the bank, then put back into the bank, and then invested in high-growth equities? I'm rethinking that.

But what if, as I read someplace I disremember, we're not having a recession or decession or reflation or repression or infarction, but are headed for stagflation?! I haven't seen that word since the smiling peanut farmer was in the White House, but I've seen it recently quite a bit, and I can't get rid of it. Last night I had a dream that a big male deer with huge antlers blew up and spewed money all over the place. I woke up in a cold sweat.

Which was opportune, considering the global warming that's definitely happening all over the planet, just as Al Gore said, with polar bears now balancing on one teeny bear claw on the formerly mighty glaciers that are now dwindling away to the size of ice cubes. Soon there will be

hurricanes the likes of which nobody has ever seen! New York will be underwater! People's heads will explode if they hang around the equator too long!

What are the investment opportunities inherent in that development? There are sure to be positive opportunities. Hybrid

airplanes, for instance. Are they coming? Did I read that they were? I think I did. And I believe everything I read, you know. If I don't believe everything, it's possible, just possible, that I might end up believing nothing.

That would be bad ... wouldn't it? **F**

STANLEY BING'S latest book, *Crazy Bosses* (Collins), is available at finer bookstores everywhere. He can be reached at [stanleybing@aol.com](mailto:stanleybing@aol.com) and on his website, [stanleybing.com](http://stanleybing.com).

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