



What the Lehman Meltdown Means To You

Posted: 11:22 PM Sep 15, 2008
Last Updated: 4:32 AM Sep 16, 2008
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Just like dominoes, another wall street financial firm falls.

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"The stock market crash in the '80s was a big shake, September 11th was a big shake to the system, but this kind of rolling financial contagion is not something we've seen since the great depression," MSU economics professor Charles Ballard said.

It certainly sounds serious, but just how much should the average person be concerned?

"People who work hard and put money into savings accounts and checking, they should not be panicking right now," Patrick Anderson said.

Anderson, CEO of the Anderson Economic Group in East Lansing, said even if you didn't directly invest in Lehman Brothers, you still could feel the effects... especially in the stock market.

"Over half of Michigan adults now have 401ks, IRAs and other types of retirement savings," Anderson said. "In that case, they may have indirect exposure to some of these financial companies."

Ballard suggests calling your broker if you're not sure where your investments lie.

"You probably want to check your portfolio is insured by the Federal Depository Insurance Corporation or the Securities Investment Protection Corporation," he said.

Another way this bankruptcy could hit home right here in the Michigan?

The economy.

"If this continues... It could continue to tighten the credit market because people are afraid to lend because they've been burned because of this situation," Ballard said. "Then it will be harder for business to get loans."

Which could mean more lay-offs and less job opportunities, which affects all of us.

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