

Arthur Levitt

Former Chairman of the Securities and Exchange Commission

The Economic Future. Almost every day on television you will see ads that promise to clean up your credit score, give you more money, and put you in the car or house of your dreams. As amusing (or annoying) as these ads might be, they are important because the services and products that companies are offering are part and parcel of the subprime mess or credit crisis that we are seeing today. Arthur Levitt draws a direct line from places like the Mortgage Center to Citigroup and Merrill Lynch, the health of the stock market, the actions of the Federal Reserve, and the economic future of the United States and the entire world.

Trust - What it Means and How to Maintain It. As we find ourselves in an economic environment in which credit is tight, the dollar has lost much of its relative value, and confidence in our financial system has been badly shaken, consumers have curtailed their spending, and businesses are facing lower profits. Levitt references the Enron and Worldcom debacles to instill a glimmer of hope for our economic future: restoring trust. Trust, according to Levitt, is the lifeblood of our markets: You will only invest in a company if you trust the numbers they give you; you will only put your retirement in a certain mutual fund if you trust that the fund's managers are being held accountable for their decisions; and you will only lend anyone money if you trust that there is a way to enforce the terms of your loan agreement. Levitt provides reasonable, plausible solutions to curtail the financial dovetail, including regulations standardization across state boundaries, palatable disclosures, and the prohibition of predatory lending practices.

It Affects All of Us. The US economy is on the brink of--or is already in--a recession. The stock prices of the biggest banks and financial service companies are dropping. With such deep losses come layoffs, and thousands of jobs have been cut at banks and in other companies. Hundreds of billions of dollars have been lost by companies and investors--and the effects have been felt worldwide. Arthur Levitt discusses how this happened and what can be done about it.