

Debt Crisis Hits Home

By [The Mogambo Guru](#)

02/28/11 Tampa, Florida – I know that Something Very Bad (SVB) is going to happen when I find that I am using a lot of acronyms in my already acronym-filled Stupid Mogambo Writing Style (SMWS).

So, we are all asking, “What will happen (WWH)?” Well, I am sure that I Don’t Know What (IDKW). But Something (BS). Something Very Bad (SVB). Or worse (OW).

And it is not made any better when Junior Mogambo Ranger (JMR) Terry L., probably aware of this bizarre Fascination With Acronyms (FWA), sent me a couple of new ones, which are, at once, both witty and profound.

The first is RAIDS, which stands for Recently Acquired Income Deficiency Syndrome, as I assume could be implied from negative (inflation-adjusted) incomes and 23% unemployment (according to John Williams of shadowstats.com).

Unfortunately, that debilitating RAIDS condition will, because of the Big Freaking Bust (BFB) caused by the Federal Reserve creating so much money and allowing the creation of so much debt, deteriorate further as the world collapses around us in a horrible, terrifying inflation in the prices of food and energy, the kind of which inflames, at last count, six countries around the world with street riots, and coming to a theater near you, too a lot sooner than you think.

It’s disaster in more ways than one, as More.com magazine had an article titled “Mom xxx, Dad xx, I’m HOME!”, a heartbreaking story of about how 1-in-5 grown children (aged 25-34) are back at home, living with their parents! Horrors!

Worse, “an even larger proportion of that age group is not financially independent,” in that “79 percent of young adults (mean age: 25.2) got money from their parents at least once a year, 48% received money every month.”

For those of us who see the horrors of inflation in our nightmares and everywhere we look, it’s perhaps instructive that “The cost of tuition jumped 439 percent from 1982 to 2008, compared with a 147 percent increase in median family income.”

If we look at the government’s own “inflation calculator” at BLS.gov, it quickly shows that it now takes \$2.28 to equal \$1 of 1982 buying power.

So, to kind of recap, general inflation in prices went up 228%, tuition went up 439%, but incomes only went up 147%! Welcome to the economy that’s been given to you by the satanic Federal Reserve!

Worse, the article went on, “Many people can’t provide help without putting themselves in financial jeopardy – a problem pervasive enough that the British have coined a term: KIPPERS, or kids in parents’ pockets eroding retirement savings.” Hahaha! That’s clever, as in, “Sad, but funny and true”!

Oddly enough, this whole idea of kids moving out and living independently actually only dates back to the end of World War II. Before that, all adult children lived at home with their parents until they got married. In fact, that is still the norm in Italy!

What’s the point? I say the point is that the housing market, already doomed because of massive overbuilding, falling incomes, and rising inflation, will become more so, due, in part, at least, to this re-emergent growth of multi-generational housing arrangements, due, in its entirety, by the fact that We’re Freaking Doomed (WFD) because of the Federal Reserve creating so much money and so much inflation and popping bubbles.

And, not only have housing prices fallen dramatically from their high, but from Zillow.com we learn that now people owing more on their mortgages than their houses are worth is becoming pandemic, as “A full 27 percent of borrowers are now ‘underwater’ on their mortgages, up from 23 percent in the previous quarter.” Yikes!

And it will never get better because, as I never stop saying, We’re Freaking Doomed (WFD) because at this stage, the aforementioned RAIDS people will sink into JMR Terry’s PAIDS, which stands for Permanently Acquired Income Deficiency Syndrome.

Unless, that is, they buy gold, silver and oil, which will soar in price, and then it will be PIES, which stands for Permanent Income Excess Syndrome, a symptom of which is saying, “Whee! That investing stuff was easy!”