Clarion Review

Riding the Storm Out
John Bougearel
978-0-615-23092-4
Four Stars (out of Five)

Riding the Storm Out presents a cautionary message to those who think the recession is ending soon and America is in for a quick recovery. Aptly named the book uses a hurricane analogy to illustrate that America is only partway through the economic crisis. “We are still in the eye of this hurricane” Bougearel writes. “By some analysts’ estimates we are only one-third of the way to the bottom…the backside of the storm is what lies ahead for us.”

Written in the witty style of a columnist the book combines historical fact comparisons and observation. Its intent is not to place blame but to educate readers on the pivotal time in history when the credit subprime and foreclosure crisis caused a collapse of the financial system. It also highlights the issues that America will face in the next five to ten years such as deflation of the stock and real estate markets and potentially aggressive government regulation of the financial markets.

The story begins with the collapse of the financial system in September 2008 with flashbacks to the 2007 and 2008 events that led up to it references to the current environment and key comparisons to the Great Depression in the 1930s. Subprime loans made credit accessible to high-risk buyers debt grew home values fell and adjustable rates rose home equity dried up foreclosures occurred lenders became cash-strapped by non-performing mortgage loans and all related areas of the financial system were impacted.

Transitions between sections in the book are not always easy to follow because the ideas are linked conceptually in a cause and effect manner rather than in a strict chronological order and there are so many events occurring simultaneously. The somewhat unconventional style works however in maintaining momentum throughout the book and holding the reader’s interest when it ties back to current events and future recommendations.

Like *Meltdown* by Thomas E. Woods Jr. *Riding the Storm Out* explores the causes of the crisis and cautions that too much government control can escalate the problem. Government actions to stimulate the economy may prove inflationary resulting in dollar deflation. Bougearel advises investors to not assume the government has fixed all the problems and says businesses

and consumers will need to “step up and restart a new cycle of risk-taking and spending.” Key to that risk-taking is adjusting one’s risk tolerance level according to the S&P 500 P/E ratio and consulting an experienced financial advisor to ensure a diversified portfolio of assets to hedge against future risks.

Author John Bougearel is a commodity trading advisor author of Structural Logic’s financial newsletter and director of equity and futures research at Financial Futures Analysis.com. He includes in the book hundreds of bibliographic references including Bloomberg News and other credible financial sources.

Not just for economics students or historians this book is an interesting read for anyone wanting to learn more about the financial crisis and its impact.