



BOB DREIZLER, CHARTERED FINANCIAL CONSULTANT

Specializing in socially conscious investors

President Barack Obama, How Cool, *I Hope*

A handful of my friends surrounded the big screen TV, chatting about the election results during the commercials. Then, with no verbal announcement from an anchor person, the screen flashed the message, "Barack Obama has been elected the next President of the United States."

We all knew that this was about to happen, but when the TV actually told us, seven adults in their 50s and 60s went crazy. We jumped up and down, we screamed, we cried, we hugged. We were like a group of deranged second graders who had eaten too much Halloween candy.

We finally popped a couple of bottles of champagne to toast the beginning of what we hope will be a new era for America, one of hope not fear, one of cooperation not confrontation, one where America is again respected in the world.

Our group of geezers watched the ecstatic scene in Grant Park where over a hundred thousand were still cheering. We recalled the vivid images of the "police-riot" that happened in that same park during the 1968 Democratic convention. What a dramatic contrast between one of the highest and lowest points in recent American Democracy.

Republican presidents had won seven out of the previous ten elections. During the last four decades, two Democratic presidents, both centrist southerners, ruled for twelve of those years. When Carter and Clinton won, I was merely relieved, but tonight, for the first time since I've been able to vote for president, I was elated.

Now that the campaign rhetoric has ended and the champagne has stopped flowing, it is time to look at the many sobering challenges that face the new administration: two wars, a recession, the massive federal debt, shrinking revenues, slumping stock market, a bungled bailout package and massive environmental threats.

President Obama will certainly be more proactive in dealing with America's urgent challenges than George Bush. Only time will tell if he can meet the expectations of those who voted for him and pleasantly surprise those who did not.

As a naïve optimist, I'm used to disappointment, most recently by the leadership of Nancy Pelosi and Harry Reed. I'm concerned by some of Obama's votes as a Senator and certain cabinet appointments, but I'm encouraged by his efficient management style during the campaign and his transition period. What really makes Obama different is his Kennedy/Reagan-type presidential glow. We need a competent, caring president for a change, but in these turbulent times, it is his spirit that America needs most.



Website Updates

Due to the dramatic volatility of the stock market, I will update my brief economic commentaries monthly. To view my current thoughts and archived past commentaries check out www.bobdreizler.com. I hope my more frequent web commentaries will offset my less frequent newsletters.

Excerpts from Some Great Recent Commentaries

The only states where the G.O.P. increased its percentage of the presidential vote relative to the Democrats were West Virginia, Tennessee, Louisiana and Arkansas. Even the North Carolina county where Palin expressed her delight at being in the “real America” went for Obama by more than 18 percentage points.

The actual real America is everywhere. It is the America that has been in shell shock since the aftermath of 9/11, when our government wielded a brutal attack by terrorists as a club to ratchet up our fears, betray our deepest constitutional values and turn Americans against one another in the name of “patriotism.” What we started to remember the morning after Election Day was what we had forgotten over the past eight years, as our abusive relationship with the Bush administration and its press enablers dragged on: That’s not who we are.

So even as we celebrated our first black president, we looked around and rediscovered the nation that had elected him. “We are the ones we’ve been waiting for,” Obama said in February, and indeed millions of such Americans were here all along, waiting for a leader. This was the week that they reclaimed their country.

— Frank Rich, *New York Times*, November 9, 2008
<http://www.nytimes.com/2008/11/09/opinion/09rich.html>

The financial crisis has put to rest the myths that our economic institutions are sound and markets work best when deregulated. Our economic institutions have failed, not only financially, but also socially and environmentally. This, combined with the election of a new president with a mandate for change, creates an opportune moment to rethink and redesign.

President-elect Obama has promised to grow the economy from the bottom up. That would be a substantial improvement over growing the top at the expense of the bottom. The real need, however, is a bottom-up transformation of our economic values and institutions to align with the imperatives and opportunities of the

21st century. It involves a five part agenda: clean up Wall Street, play by market rules, self-finance the real economy, measure what we really want, and convert to debt-free money.

— Beyond the Bailout: Agenda for a New Economy by David Korten, *YES Magazine*, November 17, 2008
<http://yesmagazine.org/article.asp?id=3050>

Seven in 10, or 72 percent, voice confidence the president-elect will make the changes needed to revive the stalling economy, according to an Associated Press-GfK poll released Tuesday. Underscoring how widely the public is counting on its new leader, 44 percent of Republicans joined nearly all Democrats and most independents in expressing that belief. --Yahoo! News [11/11/08].

Regardless of where you sit on the political spectrum, history shows the stock market fares better under Democratic Presidents vs. their Republican counterparts.

*Since 1901, the S&P rose an average 7.2% under Democratic presidents vs. 3.2% under Republicans, according to Ned Davis Research.

*Out of the 10 years of negative stocks performance since 1970, 7 occurred during a Republican-controlled White House versus three under Democrat control, according to Ashraf Laidi of CMC Markets U.S.

*In the last seven periods when Democrats had complete control of U.S. political power, the S&P 500 rose 14.7% on average, according to Bespoke Investment Group. In the eight times a Republican was president and Democrats controlled Congress, the benchmark index rose 7.4%.

*Still, the notion that “gridlock is good” is also borne out, at least in relatively recent history. Of the 28 years of positive stock performance since 1970, 19 occurred during partisan control between the White House and Congress, according to Laidi.

– “Election Rally: History Suggests Democrats Better for Stocks,” Aaron Task, *Investing*, November 4, 2008.

“Our National Debt: \$10,149,875,434,832. YOUR family share: \$86,019.” The current amount of the U.S. national debt is shown on the National Debt Clock in New York, Thursday, October 9, 2008. In a sign of the times, the National Debt Clock has run out of digits to record the growing figure. As a short-term fix, the digital dollar sign on the billboard-style clock near Times Square has been switched to a figure – the ‘1’ in \$10 trillion. It’s marking the federal government’s current debt at about \$10.2 trillion.

Drill, Baby, Drill in Utah National Parks

The view of Delicate Arch natural bridge – an unspoiled landmark so iconic it's on Utah's license plates – could one day include a drilling platform under a proposal that environmentalists call a Bush administration "fire sale" for the oil and gas industry.

Late on Election Day, the U. S. Bureau of Land Management announced a December 19 auction of more than 50,000 acres of oil and gas parcels alongside or within view of Arches National Park and two other red rock national parks in Utah, Dinosaur and Canyonlands.

The National Park Service's top official in the state calls it "shocking and disturbing" and says his agency wasn't properly notified.

--"Up roar Over Federal Drilling Leases Next to Parks," Associated Press, November 17, 2008



PHOTOS WERE TAKEN IN THIS AREA DURING TRAVELS IN MID-SEPTEMBER, 2001.



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2012 H Street—Suite 200—Sacramento, CA
95811
(916) 444-2233
FAX: (916) 444-3540
bdreizler@protectedinvestors.com
www.bobdreizler.com



SRI IN THE ROCKIES – British Columbia

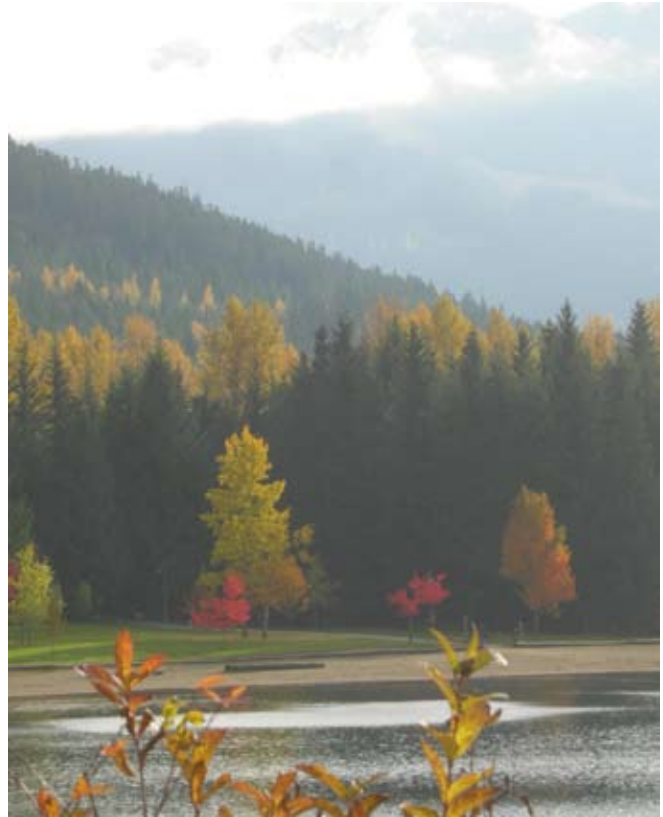
In late October, I attended the SRI in the Rockies conference in Whistler, British Columbia. It was nice to be away from my office, the exploding melodrama of the stock market, and the tension of the presidential campaign. I didn't realize how much I needed a break from the stress of managing client money. I also needed time with peers from around the country who had shared the recent economic insanity.

This largest of conferences on socially conscious investing seems misnamed as we transition from the phrase “socially responsible investing” (SRI) to “sustainable,” “green” and “transformative.”

I've attended this conference for sixteen consecutive years, so I was pleased that the conference had grown to over 700. Another hopeful sign was the large number of young advisors, social researcher and NGO employees in attendance, including my daughter, Sonya.

There is an ongoing shift away from avoidance screening toward more shareholder activism, a more proactive technique to encourage individual businesses to be more responsible in the areas of environment, sustainability and governance (ESG).

Community investing also continues to grow. Socialinvest.com describes this strategy as a way to “directly addresses many of the most vexing problems facing humankind today: urban decay, rural poverty, economic disenfranchisement, declining public health, and hopelessness, both here and abroad in more than a hundred developing countries. While investing in corporations that act responsibly can help deal with many of the same issues, community investing is the most direct impact an investor can have on community well being. It is the primary venue for investing with your heart.”



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The Bailout

"The bailout, the Treasury, the Federal Reserve – it's like a three-card monte game, you don't know where the money's coming from, you don't know who it's going to, and I think the public has every right to be outraged by this," said Bill Allison, a senior fellow at the Sunlight Foundation, a government transparency watchdog group.

--"Government Rescue Spending: Clear or Cloudy?"
Alice Gomstyn, November 11, 2008, ABC News.

Interestingly, Fannie Mae and Freddie Mac both enjoy this kind of unspoken guarantee. For decades the markets understood that, since these private players were enmeshed with the government, Uncle Sam would save the day. It was the worst of all worlds. Not only were profits privatized while risks were socialized but the implicit government backing created powerful incentives for reckless investments.

--"The Bailout: Bush's Final Pillage," by Naomi Klein,
The Nation, November 17, 2008

The financial world was fixated on Capitol Hill as Congress battled over the Bush administration's request for a \$700 billion bailout of the banking industry. In the midst of this late-September drama, the Treasury Department issued a five-sentence notice that attracted almost no public attention.

But corporate tax lawyers quickly realized the enormous implications of the document: Administration officials had just given American banks a windfall of as much as \$140 billion.

--"A Quiet Windfall for US Banks," Amit R. Paley,
The Washington Post, November 10, 2008.

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What This Economy Need is a Good Acronym

The bailout/rescue bill passed amid hysteria not unlike the urgent frenzy to approve the invasion of Iraq. In their haste to "save the economy," the bailout bill's flaws included lack of a good acronym title. TARP (Troubled Asset Relief Program) was the best our Congress could do. As disturbing as parts of the USA PATRIOT ACT are, it was a heck of an acronym: Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act. Oregon Congressman Peter DeFazio, an opponent of the bailout, proposed a better program and a better acronym, the "No BAILOUTS Act" or Bringing Accountability, Increased Liquidity, Oversight and Upholding Taxpayer Security.



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www.bobdreizler.com
is regularly updated
with new commentar-
ies, art, photos and
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Please check planned
photo exhibits.

SOCIALLY-CONSCIOUS INVESTING



Align your investments
with your values

916/444.2233
2012 H St. #200
Midtown Sacramento



bdreizler@protectedinvestors.com

Bob Dreizler
Chartered
Financial
Consultant

www.bobdreizler.com

Registered Representative and
Investment Advisory Representative
with Protected Investors of America.

Author of
*Tending Your
Money Garden*

PRESIDENTIAL PERFORMANCE BY TERM

(STOCK MARKET AND FEDERAL DEBT INCREASE)

PRESIDENT (TERM #)	S&P 500% CHANGE*	S&P 500 INDEX VALUE*	FISCAL YEAR START **	TOTAL FEDERAL DEBT (IN BILLIONS)	FEDERAL DEBT % INCREASE
		807.00*	9/30/2008	10,025**	
Bush II (2)	-31.34%	1175.41	9/30/2005	7,933	26.37%**
Bush II (1)	-12.47%	1342.90	9/30/2001	5,807	36.61%
Clinton (2)	72.90%	776.70	9/30/1997	5,413	7.28%
Clinton (1)	79.22%	433.37	9/30/1993	4,411	22.72%
Bush I	51.19%	286.63	9/30/1989	2,857	54.39%
Reagan (2)	63.57%	175.23	9/30/1985	1,823	56.72%
Reagan (1)	33.10%	131.65	9/30/1981	998	82.67%
Carter	27.85%	102.97	9/30/1977	699	42.78%
Nixon/Ford	-13.31%	118.78	9/30/1973	458	52.62%
Nixon (1)	14.22%	103.99	9/30/1969	353	29.75%
Johnson (2)	23.46%	84.23	9/30/1965	317	11.36%
Kennedy/Johnson	40.48%	59.96	9/30/1961	289	9.69%

*Performance of Standard and Poor's 500 Index from Inauguration Day to Inauguration Day four years later (Bush II January 20, 2005 to November 19, 2008).

Sources: Yahoo! News

** From September 30th (federal fiscal year end) of first term until four years later (three years for Bush II's last term)

Source: www.treasurydirect.gov

Note: Republicans in bold.

Bob Dreizler, Chartered Financial Consultant
 2012 H Street, Suite 200
 Sacramento, California 95811
 916.444.2233

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