

The Huffington Post



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The End of Normal

Posted December 1, 2008 | 04:08 PM (EST)

Historic changes are rattling this country to the core. Rising economic fear, a reordering of global power, an assault on trust, the energizing promise of new leadership -- all are coming together to reshape the future and alter our expectations.

This is the first in a series of columns in which I will look at how we will emerge from an uncertain and unsettling time to offer my thoughts on who we'll be.

I was talking to my 16-year-old daughter the other night about the barrage of unsettling economic news.

She asked: "Are we going to be all right?"

I wanted to tell her that we have seen this before, that the government knows how to fix these things, and that in a year or so, it will all be back to normal.

The problem is that we haven't seen this before, the government doesn't seem to know what to fix it let alone how to fix it, and there is every reason to believe that normal is a whole new place -- and we won't know what it is until we've spent some time there.

So the best I could do is say: "We're all going through a very difficult time right now. We have a new team of leaders coming in. They are already working on it."

She didn't press. Good thing -- because that was about all I had. Actually, it's all any of us have.

Some of the unanswered questions are immediate -- as in, how to keep the financial system from exploding in a shower of nightmare scenarios.

Others play out longer.

Sure, we've seen people hijack the system before. In the 80s they swapped inside information about companies they were about to plunder. In the 90s, they continued to tout the new economy even as the realities of the new economy were throwing sand in the gears of a system that promised the end of downturns.

This is something different.

This isn't twenty-something Silicon Valley celebrity executives losing their Porsches. This is the third generation Buick dealer shuttering the showroom. This isn't a glut of mansions on the market in Greenwich. This is people who finally got their fenced in back yard and a dog for the kids going back to the apartment. This isn't the loss of a bonus. This is a comfortable retirement earned over a lifetime decimated in a matter of months.

The professional seekers of silver linings will find their positives.

This had to happen because we were living beyond our means. This will recalibrate a value system that has somehow equated worth with wealth -- where we spoke with pride about the size of screens and numbers of toilets.

But all of these hopeful notions of recovering our souls and rediscovering our values seem to have an air of temporary penance about them. We did stupid things. We did short-sighted things. Some of us even did illegal things. But we've learned our lesson, and next time -- we'll get it right. We'll get back to where we were -- just like the 80s, and just like the 90s.

But it is becoming increasingly clear that we may not get back to where we were for years. Some say that by the time we get back to where we were, it will no longer be there.

In a recent *New York Times* article economist Ben Stein said: "... we know from observation that an industrial economy can run well below capacity for a long time." He concluded that "This whole thing is not guaranteed to end in smiles." Or as John Maynard Keynes put it much earlier: "the markets can remain irrational longer than you can remain solvent."

The generation moving into retirement has had a peek or two at the abyss, and they have seen the country bounce back. A new generation, by historical standards, had an incredibly benevolent run.

Both will be tested. We will come out of this, but we may come out diminished and disappointed. We're a country that has an abiding sense of who we are. How we handle what is ahead will tell us who we'll be.