

The dilemma of the double dip

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It's the big question of the day: Are we headed for a "double-dip" recession? It's a message the media is discussing relentlessly, which then creates the possibility of a self-fulfilling prophecy: consumers hear the drumbeat message and pull back, companies cut spending, investors get antsy – and there you have it. The double dip.

Markets run on two things – greed and fear, and we are operating mostly on fear right now. Fear of uncertainty mostly, and investors hate uncertainty – that much is obvious.

Some investors right now are suffering from "investor fatigue." They're tired of low returns and treasury bonds. Boring as that is, it's safe! Safety is paramount, but some investors are getting impatient and are looking for something more exciting. Of course, they want to be there first, yet not so early that they are stuck for a long time in a tough investment. I ran into this recently when I was on a trip to California.

I was in Monterey at a private party on an exclusive golf club during the Concourse Car week at Pebble Beach. I overheard a group discussing their investment portfolios and I could not help but eavesdrop on the conversation. One of them was saying that he had just invested heavily in a new solar project that had a good track record and great returns on investment. Another gentleman, who formerly ran a successful hedge fund, had invested in a water company and even joined the board. These guys were the movers and shakers of the West Coast, and here they were talking about all of their recent investments in modern energy deals! They are looking at this market as having good opportunities and good deals with growth potential.

This is just one conversation, but it's actually very good news. We may very well be in a double dip, but qualified investors are nibbling in the renewable energy space. They're being cautious, but they're staying close. Why? A big part of it might be that both investors and companies are getting more comfortable in a scaled-back economy. Another reason is the pricing of solar and wind has dropped significantly due to this recession, making it a bargain in many cases.

This is good news because, for a long time, we worried over the myriad problems with solar, or wind, or geothermal – you name the fuel source, there were 20 questions that threatened to shut it down before the idea even got off the ground.

It's too early to declare victory over modern energy skepticism, but we've reached the critical mass point. The problem is not with the sector – it's with the economy. When the economy comes back – whether or not we're in a double dip – the modern energy sector will take off and increase the already rapid growth rate we've seen to date.

Michele Ashby is the CEO of MiNE LLC, which is hosting the [Modern Energy Investor Forum \(MEIF\)](#) from Sep. 22-25, 2010, in Denver, Colorado. The Modern Energy Investor Forum is the premier invitation-only conference for clean technology firms and investors. For more information or to register for the MEIF, please go to www.MiNELLC.com or call (303) 377-6463.

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