

Re: Bush and O'Reilly, in denial.

Source: <http://sci.tech--archive.net/Archive/sci.econ/2005-12/msg00090.html>

- *From:* "Jim Blair" <jeb@xxxxxxx>
 - *Date:* Wed, 7 Dec 2005 16:00:32 -0600
-

"tonyp" <tonyp@xxxxxxxxxxxx> wrote in message
news:PvydneZePviUfO7eRVn-rg@xxxxxxxxxxx

>

> "Jim Blair" <jeb@xxxxxxx> wrote

>

>> Its not just the dividends and interest from those stocks

>> and bonds. I also have Social Security (for me and my wife)

>> plus she is now collecting a pension from the state of Wisconsin

>> and I will begin next year when I plan to retire.

>

>

> I'm truly glad for you both. And I'm delighted that govment, state and

> national, will be a significant contributor to your comfortable retirement

> :-)

Hi,

I didn't make the rules, but since I must play by them, I use them to my advantage as best I can.

I quit a high paying job at a large chemical company, in part because I saw their GREAT pension plan as a way for them to tie me to the company. I was more comfortable with a lower paying job (that I liked better), but that also set up my retirement through private investments that were not connected to the particular job. And a good thing that was since my new job teaching ended when the college went broke, and meanwhile the pension plans of large corporations aren't looking so good anymore :-)

>

>> But anyone can do what I did: save and invest 5-10% of income

>> while working, and put it into a mutual fund retirement account.

>> And that was easier for me than for some because

>> I could deduct it from my taxes. I say give that same break

>> to those with lower incomes as well.

>

>

> Jim, I am pretty sure your income was more than 5-10% above the poverty

> line. For many people, it's not. So I resist your "anyone" claim.

Re: Bush and O'Reilly, in denial.

Strange story in that. My first job out of the UW was as a research chemist at DuPont. My pay was actually 80% of that of Bart Starr the Green Bay Packer quarterback in the first Super Bowl!

(I wish I had 80% of the salary of the current Packer quarterback or of the winning Super Bowl quarterback this year ;-)

But it was actually easier to save/invest 5% of my much lower salary as a college teacher (I was probably in the next to bottom income quintile) than when I was a Du Pont chemist. I say the higher your income the harder it is to save 5% of it.

>....And

> even if "anyone" (meaning, logically, "everyone") could save that much,
> some of them would see lower ROI than you have. Unless, of course, your
> average returns have been at the extreme low end of the ROI distribution
:-)

Sure some investments do better than others. I claim that if people stick to broad based mutual funds, they are almost certain to do better than Social Security during the next 20, 30, 40 or 50 years.

>

>> You are confusing GDP with wages. The US Social Security
>> system is not funded from the GDP, but from wages only.
>> That is why Bush had the right idea: fund retirement
>> from the global GDP.

>

>

> Are you talking about Iraqi oil, or what? :-)

>

> Seriously, Jim: right now, as we both know, SS is funding the general
> federal budget, not the other way around. Wage taxes are being used to
pay
> the \$5B monthly bill for Dubya's little war so that people with huge cap
> gains and inheritances can get "tax relief".

Or to pay for FEMA, farmers to not grow crops and the highways to nowhere, etc.

>....Well, if SS can fund the

> budget as it has for a couple of decades now, then the budget can goddam
> well return the favor some time.

Thus that "Trust Fund": sure general revenues will someday pay SS back what it "borrowed" someday, starting in about 2020.

But after that Trust Fund is empty, do you think general revenues will continue to give money to rich retirees on a non-means test basis?

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>...And the budget is funded from taxes on
> all parts of the GDP.

So why keep the FICA?

>
> Of course, Dubya and his crowd (aren't you embarrassed by their antics yet?)

Yes, by some of them. Same with Clinton and some of the Dems as well.

> have a very clear program: untax everything except wages. They're almost
> there, so I may soon have to concede your minor point.
>
> Your major point, I have addressed before: a massive net flow of capital
> out of the US to "the world" is what you are asking for, if you want
the
> average American to invest in "the global GDP". Trade flows need to be
> reversed on a grand scale. The average American needs to stop buying
> Hyundai Elantras, and start buying Hyundai stock.

They should buy the stock, but also buy the car best suited to their needs
as well, no matter who built that car.

>....He has to buy sewing
> machines and wafer probers for the Chinese, instead of buying shirts and
> cellphones from them.

When they have the money from the wages from those jobs, they can buy the
things they want or need. As is happening now. I remember Chinese cities
as masses of bicycles just a few years ago it seems. Now they look just
like cities in Europe or the US: cars everywhere. Too bad they choose cars
over bikes, but then we did too :-(

>...He has to spend less at Wal-Mart stores and more in
> the Indian venture-capital market.

If he bought from a yuppie boutique instead of Wal-Mart, he would have less
money to invest in that Indian venture-capital market.

>
> Now, these may be desirable trends to wish for. But I have no idea why
you
> think privatizing SS will encourage them.

Because more people would be putting money into investments instead of into
the US treasury.

>
> Enough for now. I will address your remaining points in another post.
>

Re: Bush and O'Reilly, in denial.

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> -- TP
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jim blair (jeblair@xxxxxxxx) Madison Wisconsin USA.

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No animals were harmed in making this post

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• *Follow-Ups:*

◆ ***Re: Bush and O'Reilly, in denial.***

◇ *From:* tonyp

• *References:*

◆ ***Re: Bush and O'Reilly, in denial.***

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• Prev by Date: ***Re: "The value of land is mostly improvements"***

• Next by Date: ***Re: What can be done to curb illegal Mexican immigration***

• Previous by thread: ***Re: Bush and O'Reilly, in denial.***

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