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Advocates for financial peace of mind

MONEY WISDOM – Column #2 – February 29, 2008

Money Wisdom in Reverse?

As a result of the business we are in, we come in contact with lots of folks on a weekly basis. The topics naturally turn to the current state of finances, both for our own households and for Uncle Sam's. We are all familiar with the current hot topics: the stock market volatility, housing prices stagnating or dropping, oil and gas gauging holes in our pockets, property taxes continuing to climb, and health care costs that leave our elders with the horrific choice of buying their medicine or buying food.

There is no doubt that many Americans are feeling significant financial pain. To help ease our pain, our federal politicians have crafted a solution to cure the ills of our land: later this year, most of us will receive a tax "rebate" check to do with as we wish. Of course, Uncle Sam's wish is that we rush out and spend it immediately, thus giving our economy a much-needed boost in the arm.

There is little upside in looking a gift horse in the mouth. The checks will be sent, the checks will be spent. And then what? Economists hope our spending will provide a much-needed boost to our economy; the politicians expect our admiration (and votes?); all the while, us common folk scratch our head and wonder how any of this makes sense.

Though our education system and our households sadly fail in teaching us financial literacy, most of us are aware that a budget that has more going out than coming in is a one-way ticket to financial ruin. However, our government has never felt it needs to hold itself to that standard. Budget deficits have become the status quo for our federal government; Uncle Sam knows no such thing as financial discipline. And now, in a time where financial discipline is being practiced in most households, our leaders in Washington surely are not leading by example.

Most of us are aware of the plight of an addict: their life is spent seeking one fix after another. Once the addict has their fix, they feel fine, until they don't. Inevitably, the good feeling ends and the pursuit for the next fix is on. Is it far-fetched to compare the tax "rebate" to a junkie's next "fix"? We argue that it is not.

With the largest demographic wave in history barreling towards retirement, our Social Security system is about to become swamped with new enrollees. If you haven't heard, the Social Security system is standing on a financial house-of-cards. Even more dire is the state of the Medicare/Medicaid system. Schools in our cities are crumbling, hospital waiting rooms are bursting, our seniors are choosing between pills or heat, and our great nation still has starving children among us.

Could there possibly be a better use for our tax dollars than running to Wal-Mart?

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