

“The Times They Are A-Changin’”

It's Your Money
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Many things fascinate me. Here are three of them:

1. The book of Ecclesiastes
2. The American public's indifference to our enormous deficits, and what those deficits could mean for our economic future
3. The surrender of national interest in favor of self-interest on the part of many of our leaders

For those who share my fascination with Ecclesiastes, I suggest Doug Wilson's insightful book, At the End of the Tether.

For those who are shaking their head with me concerning fascination #2, you might want to read Ayn Rand's Atlas Shrugged. This prophetic book was written over 50 years ago and shows the logical conclusion that awaits a nation where the undisciplined, unproductive masses overwhelm those who are productive.

To illustrate #3, please complete this multiple choice question: What do George Steinbrenner, (owner of the Yankees) Dan Duncan (a Texas oil man) and John Ruan (his trucking company probably hauls your milk) have in common?

1. ___ They all died this year
2. ___ They all had a personal net worth in excess of \$1 billion
3. ___ Their estates will pay no federal estate tax
4. ___ All of the above

The answer is number 4. In the early 90's our two political parties crafted one of the most bizarre compromises ever. They agreed to gradually increase the amount estate owners could pass on to their heirs free of federal tax. This exemption amount started at \$1 million, grew to \$3.5 million in 2009, and became unlimited in 2010. The fine print was that the exemption dropped back to \$1 million in 2011. Both parties could claim political victory! The Republicans rejoiced, “we eliminated the death tax” (nearly an exact quote from my Senator), and the Democrats boasted, “the estate tax stands”. No logic, just politics. It worked out pretty well for the three gentlemen listed above.

As I write this in mid-July I run the risk of embarrassment. Perhaps virtue, common sense, and fairness to estate owners and the general public alike will prevail and a new, responsible estate tax law will be enacted. It would be great to see legislation based on something other than politics come out of Washington.

Ecclesiastes appears first on the list because it gives us perspective on these confusing and often frustrating times. Ecclesiastes says that all of this is to be expected. It seems like things are always changing, but actually “There is nothing new under the sun”. Or, “All streams flow into the sea, yet the sea is never full”. Does the economic experience of the United States over the past few years seem unusual to you? Hasn’t it happened to other countries in other times? “Kingdoms rise and wane.”

I borrowed the title of this article from song writer, Bob Dylan. In another song, Dylan balances the “change” vs. “nothing new” paradox when he wrote, “What has to come has already been” which he borrowed from Ecclesiastes 1:9. This alone proves the point, “There is nothing new under the sun”, writers borrow from writers who borrow from writers 😊

In our title song Dylan implores:

Come senators, congressmen
Please heed the call
Don’t stand in the doorway
Don’t block up the hall

It is unlikely that legislators will heed Dylan’s plea. As Richard Nixon said, a politician’s first responsibility is to get re-elected.

All of this makes us look at our money a little differently. I’m not telling you the whole truth when I say, “It’s Your Money”. Other temporarily powerful interests have much to say about your money—banks, creameries, governments and their agencies just to name a few. Most situations are simply outside our control.

Forgive my melancholy mood. I’m really an up-beat guy who smiles most of the time and has a lot to look forward to. But it needs to be said. The real truth is that if we are looking for something concretely secure, it isn’t our money.

Find some quiet time in a comfortable place and read Ecclesiastes. After all, your view of life is more important than money.

Verlyn De Wit helps successful dairy producers make smart decisions about their money. He can be reached toll-free at 1-888-468-1728 by email at vdewit@sammonsrep.com or “snail-mail” at 1270 Eastside Dr., Sioux Center, IA 51250. Securities offered through Sammons Securities Co., LLC. Member FINRA and SIPC. 4261 Park Road, Ann Arbor, MI 48103

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