

A NEW SET OF QUESTIONS

On Friday, January 20th, we as a nation inaugurated our 45th President, Donald J. Trump. As an amateur historian, I found this interesting. Never before in our history have we elected a President of the United States who never (a) held political office, (b) served in the military, or (c) had any connection, real or imaginary to the ‘political class.’ Even William Jennings Bryant, the



putative leader of the Populist Agrarian movement of the late 19th and early 20th Century could not have duplicated these circumstances. Discounting the haze of love, hatred, and angst about this occurrence, one needs to take a step back.

Since George Washington’s inauguration in 1789, this transfer of power has occurred. From the earliest time in this process, there has been angst, joy, and feelings of disconnectedness. In 1861, the inauguration of Abraham Lincoln sparked the Civil War! Compare armed conflict with what has happened since then.

Yet, there are concerns. There are questions. This is a natural phenomenon. Just as in 2008, there were concerns, and questions about that Administrations’ economic and foreign policy initiatives there are questions today.

Outside of national security, my focus is this: how do these new policies affect retirees and soon to be retirees? One could recite the laundry list of economic concerns, and how they affect people planning to retire, or those already living in retirement. Key among the undercurrent of concerns is one that is seldom articulated; economic growth and job creation. Job creation is my greatest concern. People will ask me: ‘if you are primarily working with people nearing retirement or in retirement, why is job creation your number one concern?’

My answer is simple. The Social Contract. In 1935, Franklin Roosevelt established a social contract: ‘Social Security’ was a contract that said everyone would share a stake in the retirement well-being of all citizens. Now Social Security faces an ever shorter calendar date to insolvency. In 1965, Lyndon Johnson extended that ‘Social Contract’ to Medicare and Medicaid. In each case, the financial underpinning of these programs was based on two assumptions. The first was that as a nation, we would remain eternally young, with an ascending birthrate, providing 15-18

people in the workforce for each person receiving government largesse. The second was that the average life expectancy would remain at 52, not the 84 and 86 of the life expectancy of a person born in 1970. All over the western world, birth rates have plummeted. Economic stagnation in Europe has choked off their ability to fund their lavish and generous social programs. We are fast approaching that tipping point here; where even if birth rates were to increase, under the current tax and regulatory burden there is no intermediate demand for goods and services that would restore the economic solvency of both Social Security and Medicare. Where we stand today, January 2017, all of these programs are in an actuarial death spiral.

Enter this new Administration.

We, as a nation have long tried the tax and spend and tax cut and spend method of economic policy. This is born of a conceit that man (governments) can absolutely control and determine human activity and energy. "If only we had the right tax cut (increase) we could solve this problem!" has been the mantra of most of the 20th and 21st centuries. Both parties have bought in to this 'conceit of control', instead of seeking ways to accomplish social good along the lines of natural economic law.

Is there a new set of questions? I think not. The question before us is simple, yet its resolution is complex in execution. Economic growth is the key to solvency of these programs. Even a person who believes in government intrusion in to every aspect of American life has to understand that without robust economic growth there is no ability to sustain the promises of these programs for those on them, and perpetuate the promise for those who have and are paying in to the system. As John F. Kennedy remarked 'a rising tide lifts all boats'. So it must be true with these key promises. The economic policies we pursue, both from a pragmatic sense, and from a moral sense, must be those promoting growth for all. Those policies need to create opportunity, and an admission natural law, given a purposefully free hand.

My question is this: will this New Way alleviate my questions and concerns, or will it die stillborn, hostage to the Conceit of a ruling and Economically Privileged Few?



