

October 10, 2007

Sidebar

Retirement Dollars // Hispanic Democracy

I **Take out.** Are you withdrawing too much money from your retirement accounts? (That depends on the size of the nest egg.) Here, we deal with Americans (70½ and over) that need to preserve their saved dollars to make them last a lifetime, and we assume a conservative portfolio (50% bonds – 50% stocks). This question vexes most retirees. Financial pundits (meaning “experts”) have diverse opinions on the subject matter. So, in this brief paragraph, the guidelines are expressed. Do not take out more than 4% or 5% of your savings the first year. Thereafter, withdrawals may be adjusted for inflation. Along the way, try to stay under 7%. (A) choice: “In The Vanguard” (Voyager Edition) of **Summer 2007** (at p. 3) a chart showed that investing in the Wellington Fund (65% equities and 35% bonds) from 1997 to 2007 one would have earned 9.1%. *Note:* This past perturbing decade provides a sound model for investors. (B) choice: I like a safe combination of a 50-50 investment in Vanguard’s Wellington and Wellesley. A chart in “The Independent Adviser for Vanguard Investors” (at p. 4) showed that a \$100 investment in “W/W” in 08/97 more than doubled by 08/07. Now, you know how to protect your saved dollars. **ALERT** *Always* consult your financial adviser.

II **Suffering democracy.** Is Latin America suffering from democracy? I think so. And the voters, unhappy with many conservative leaders, are being duped. Plus, there is a “hate USA” atmosphere that tries my mind and spirit. Venezuela, Ecuador, and Bolivia (a “trio-of-rulers”) are vivid examples. (Cuba is a communist state—the one-party elections are a fraud.) It seems to me that the trio’s “democracy” is not reaching the people. Democracy is not an asset down there. Democracy is being used to solidify “*elected dictators*” (a new concept). The elected leaders, based on their control of Congresses, are drawing *new* constitutions that cement the powers of (Presidents) Chavez, Correa, and Morales. So, to beg the question: Is democracy an asset of the people? It should be, right? But in reality it is not. We are witnessing democracy working for the benefit of “the elected rulers”—not of “the people.” In fact, equality and freedom are just words (campaign slogans of the *presidentes*). Are the people happy in those three countries? They are unhappy—suffering a silent *descontento*. Freedom of speech and freedom of the press are just *palabras* (words). Democracy is not working for the people. Democracy is working wonders for the “elected rulers.” The *new* constitutions eliminate the balance of power—no checks and balances—and lift limits on terms. *Viva La Democracia.*