

# RETIREMENT PLANS THAT “CLEARLY” WORK FOR YOU.



Prizant Group

## SOAPBOX: A box or crate used as a makeshift stand by a public speaker.



*Idiom: Get On Your Soapbox*

*Leave a comment*

*e.g. Once grandpa got on his soapbox about the local election, I found an excuse to slip out of the room.*

*Meaning: to share one's opinions in an impassioned, impromptu manner, often to others' annoyance.*

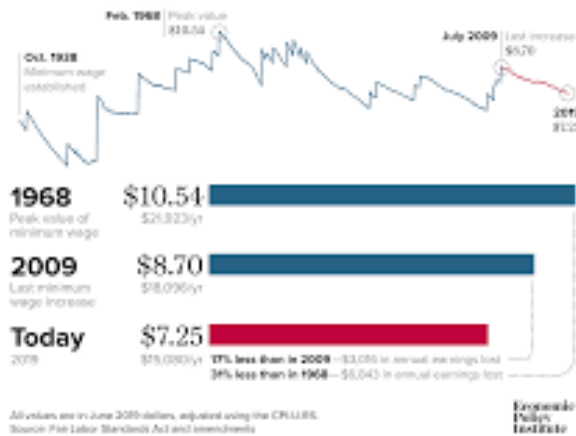
*Origin: Soapbox can be any box that someone stands on to make a speech in public, often for a political subject. The term originates from the days when speakers would elevate themselves – so that they*

*could be seen and heard more easily – by standing on a wooden crate originally used for the shipment of soap. Hyde Park, London, is known for its Sunday soapbox orators, who have assembled at Speakers' Corner since 1872 to discuss religion and politics among other topics. [Soapbox](#)*

It is definitely "Soapbox Time"

**After the longest period in history without an increase, the federal minimum wage today is worth 17% less than 10 years ago—and 31% less than in 1968.**

Real value of the minimum wage (adjusted for inflation)



for yours truly. The national debate about raising the Federal Minimum Wage to \$15/hr. from the present \$7.25/hr. is reaching a fevered pitch. The nonsensical arguments about Costing Teen Jobs (Do teens even work anymore?), Impacting the Bottom Line of Small Business Owners (You can't raise the price(s) of your damn products or services a few cents?) or Eliminating the Initial Entry into the workplace

(Why work for a taxable rate of \$7.25/hour? Gig economy here I come!); makes me want to puke. And don't get me started on the whole bull crap of the difference in **"Cost of Living"** between the Urban centers and Rural areas or Northern states and Southern states. Certain categories may be less expensive, but other sectors are more expensive due to lack of competition. Prices in Chicago for liquor have always been the lowest in the country and it ain't cheap to live here! [Booze](#)

The cost of health [Healthcare](#)/dental/veterinary care, automobiles, appliances, T.V., smart phone, game console, HVAC equipment, building materials, fuel, clothes, shoes, etc. **DOESN'T CHANGE BASED ON WHERE YOU DAMN LIVE.** Now, housing/food/utilities maybe cheaper in rural areas of smaller cities, but as Uncle Joe says "C'mon Man." [\\$15,080 a year](#) is a poverty wage no matter where you sit your derriere! [COL by State](#)

The annual earnings for a full-time minimum-wage worker is \$15,080 at the current federal minimum wage of \$7.25. Full-time work means working 2,080 hours each year, which is 40 hours each week. However, many states have their own minimum wages, including 29 that are currently higher than the federal rate.

[Federal Minimum Wage](#)

[Minimum Wage Increase](#)

[Minimum Wage Reality](#)

After blowing off a little cathartic

steam, I will now get to the crux of this month's marvelous Missive. Notwithstanding (one great word!) the \$3.2 Trillion Infrastructure proposal, Uncle Sugar (a.k.a. Uncle Sam or the Federal Government) is pumping \$6.1 Trillion into the U.S. economy.

### [Federal Stimulus](#)

This compares to the paltry \$498 Billion that was spent for the 2008 Great Recession Bailout. [2008 Bailout](#) What the long term implications of the unprecedented injection of liquidity into the economy remains to be seen. Will there be a repeat of the **"Roaring 20's"** followed by the **Great Depression Redux?** The belief among academics and policy wonks is that we have learned our lesson from the fiscal mistakes made during the Depression era.



### [Ben](#)

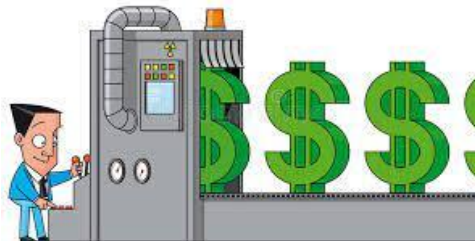
Ben Bernanke (Fed Chair/2006-14) and his adherents believe that a **"Easy Monetary Policy"** could have prevented or, at least, eased the economic collapse beginning with the 1929 Stock Market Crash and technically lasting 43 months. Of course, this is a classic case of "20/20 Hindsight" but his tenets served the country well during the 2008 Great Recession. The last thing a President, Treasury Secretary, or Federal Reserve Chair wants in their obituary is to be tainted by having the U.S. economy repeat the Great Depression on their watch. Furthermore, this Democratic administration and the President Joe Biden (a wannabe FDR) see a once in a generation opportunity to reimagine "The New Deal" policies of Franklin Delano Roosevelt (32nd President 1933-1945). Most historians have credited Roosevelt's actions as having pulled the U.S. out of the Great Depression (it was more likely the advent of WWII, but we will not quibble). There is no questions that FDR is considered the greatest President that the Democratic Party ever produced. [PolicyResponse](#)

### [Depression](#)



## FDR, the WPA, and the New Deal Arts Programs

FRANKLIN D. ROOSEVELT  
FRANKLIN D. ROOSEVELT LIBRARY and MUSEUM



The current goal of the monetary policy makers is to dramatically increase the "Velocity of Money" [Velocity](#). Their actions translate into driving the American Consumer to keep on spending with the attitude that "Happy Days Are Here Again." [Happy Days](#) Never forget that the U.S. economy is 70% "Consumer Driven" as we really don't manufacture a whole hell of a lot of anything anymore!

**MULTIPLIER** – The “American Rescue Plan Act of 2021” includes \$1,400 cash payments made to 110 million households. If each taxpayer that received \$1,400 had a “marginal propensity to consume” of 60%, the initial taxpayer would save \$560 and spend \$840, and then in turn the party that received the \$840 would save \$336 and spend \$504, and the next party would save \$202 and spend \$302, and so on. Ultimately the original \$1,400 cash payment would result in \$2,100 of economic activity, i.e., \$840 + \$504 + \$302 + . . . (source: [BTN Research](#)). [Multiplier Effect](#)

And with the "Multiplier Effect," Americans are going to continue (despite all this Anti-China rhetoric spewing from politicians, media pundits, and business

leaders) to spend billions on goods made in China as we have become addicted to low priced consumer goods. The U.S. may apply tariffs on Chinese products, patrol the Straits of Taiwan, threaten increase sanctions, and boycott the 2022 Olympic Games in Beijing, but none of the above will stop our insatiable desire to consume.

American consumers spent \$2.81 trillion on foreign imports of goods and services in calendar year 2020. American consumers are forecasted to receive \$800 billion in the form of stimulus payments, unemployment benefits and child tax credits through the American Rescue Plan Act of 2021, and then turn around and spend \$360 billion of the \$800 billion on foreign imports. Chinese companies are predicted to sell Americans \$60 billion of the \$360 billion (source: Allianz).

We, at, [The Prizant Group](#), believe that the long-term retirement plan investor needs to ignore the present day "mania" and chart a true course towards their retirement years. We certainly do not know when the stock market will have a correction or enter a true "Bear Market," but as sure has the **"Sun Rises In The East and Sets In The West"** it will happen. When that time comes, steady hands and steely eyes will be required. Throughout our 35 years in the investment game, we have learned that markets go down quicker than they go up. Until that time, let's party like the Roaring 20's.

Charleston

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