

The Redistribution of Our Standard of Living

By Howard Carpenter

In pursuing the best for our families, we endeavor to maximize our standard of living. Whether buying a car, gas, lawn services, banking, insurance, investments, utilities, etc., we give little thought to the sellers' health care insurance, pension, vacations, means of transportation, net income, or how comfortable one heats and cools their homes. Knowingly or just intuitively, we recognize the more left in our wallet enhances our standard of living. Or, phrased another way, more is available to purchase (or save) for the benefit of our families.

It's not that we wish others ill - nor, do they seek to harm us. Each party is pursuing according to their own unique needs to support and increase individual standards of living. This combined effort is the most efficient and effective allocation of our time and assets.

It is as it should be...

We do not, however - for the most part - utilize the above practice outside of our personal dealings. Unfortunately, the deals we permit to be performed on our behalf have increasingly "redistributed our standard of living."

The current energy policy limiting or prohibiting domestic drilling- inland and continental shelf (yet permitting other nations to do so) - a refusal to build refineries or reactors, all exacerbated by a debt-driven, collapsing dollar, has driven up prices. Consequently, we have witnessed the redistribution of our standard of living to other nations. Not so friendly nations either.

Paying farmers (some) to not grow food (limiting supply), converting farm land to ethanol (further limiting food supply) to pour (what was once food) into our cars, and of course, exacerbated (again) by a weak dollar, has driven up our grocery bill. Obviously, we have again witnessed the redistribution of more of our standard of living to others.

The current "Global Poverty Act" debated in Washington - and will be again - designates \$845 billion (annually) to the UN (over and above what is already "donated." As one phrased it, "this is better described as the 'US Poverty Act.'" Whether one agrees with this transfer or not, the reality is: another redistribution of your standard of living.

Although our standard of living is enhanced by efficient and effective delivery of government services, it is harmed significantly when it pays much higher costs than when priced in a competitive, free and open market. Whether it be a transit worker, public school teacher, state liquor store clerk, road worker, etc., providing compensation, pensions, healthcare, retirement benefits, etc., far in excess of what is paid in the private sector, we are (yes, again) experience redistributing our standard of living.

It's tantamount to selecting one of three gas stations at the same intersection - the one with pricing 30-40% higher. Not that we would, but that choice - if made - is a redistribution of our standard of living.

The decline in our standard of living will reverse - assuming the debt driven culture moderates as well - when we witness practices similar to those utilized in our personal transactions. When those performing on our behalf negotiate and insist on market-based compensation (rather than prevailing), prohibit public worker strikes, embrace competition and engage privatization, the redistribution of our standard of living may end.

We appreciate their desire to heighten the standard of living of these constituents. That said, their service is not to be for a few select public sectors, but for "every citizen."

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