

## “Dad, It’s Not Really Free, Someone Had To Pay For It!”

By Mark Charnet

While reading the front page of my daily newspaper about ten days ago, I found an article stating proudly that due to the Federal stimulus package, a particular retired senior couple located in Paterson, NJ, have received a brand new furnace and are expecting in a week or so, a brand new refrigerator. Their 3-story drafty home will also receive free installation of insulation, because their income is under \$21,000 a year, making them eligible for these free services from our government. The article went on to say that 770 other families will be as lucky as this couple. Imagine – Free upgrades for your home! I read the article again to my children to get their impression and to see if they really understood the impact of the article as I did.

My first impression was one of investigation. Did this couple receive incentives or benefits to initially purchase this home like 100% financing? How long has their income been under \$21,000 a year, as that article indicated this was not the first year. What are the property taxes and mortgage payments, and can they be maintained by this couple? Are they getting any social assistance from the local, county or state government already? Do they receive \$5 prescriptions, food stamps and Medicaid? How much did this couple earn while working, how much did they save, how much pension and how much Social Security do they receive? Why were they chosen above the needs of anyone else, perhaps a family with young children should have received these benefits instead?

My eleven year old, Jack, astutely stated, “Dad, it’s not really free. Someone had to pay for it, who do you think it was, Obama?” I told him Obama suggested it, Congress signed for it and we the people, like it or not, who earn money, whether from their savings or from working, are going to share in the cost to pay for it, all 770 families bill. Jack further said, “What if the people who are paying would rather spend that money on something else, can they?” Actually, I told him the answer to his question was “**No!**” Jack didn’t think it was fair that the people who work to buy their own furnaces and refrigerators have to pay for someone else’s too. I told him that people we know who can no longer afford to either fix or heat their houses are forced to sell them and move to smaller ones or move to areas of the country that are cheaper to live or if they don’t have enough money for that, to move in with other family. It’s ridiculous to consider that when all of us can’t afford to replace our furnace, that the government will replace it for everyone for free.

Nope, it doesn’t work that way. In this couple’s situation, it’s my opinion that rather than taxing workers so the government can spend money to fix up each house, where people have no business living in a house they cannot afford anyway, instead, the government should give the couple the offer to move into a government sponsored apartment complex where there is one furnace for the entire building and all of its inhabitants will be warm for the winter and eat in one dining area if they can’t afford to feed themselves in their own kitchen. It’s detrimental, unwise, unfair and just plain wrong, to enhance the life of one couple at the expense and detriment of the many who sacrifice time with their families, working multiple jobs or very long hours to support themselves maintaining the quality of life for their families.

What message does this front page example set for the people looking for a job, those that have been laid off or those just finishing school looking for their first job opportunity? What’s the incentive to work if your labor will directly supplement the undeserving at your expense? It’s a tough economy now and unemployment is still rising. If you have a \$150,000 lifestyle because that’s what you and your spouse were earning and one of you loses your job cutting your family income in half, you will be unable to pay your mortgage, the utilities, the car payments, the credit card bills, the tuition and music lessons for the kids and if

your furnace and refrigerator breakdown, **WHAT CAN YOU EXPECT TO RECEIVE FROM THE STIMULUS PACKAGE?** You guessed it - absolutely nothing, even though you probably paid into the system many times the amount in taxes that the recipients of the “Free boiler and fridge” paid in. If the lost job isn’t replaced soon you’d be forced to sell your home, not get free insulation! The music lessons will cease, perhaps you’ll lose one car and maybe file bankruptcy to stop the credit card companies from calling 24 hours a day. Before the job loss you had perfect credit and gave time and money to charitable causes. Those people still fortunate enough to have a job will now have to face massive tax increases to buy refrigerators, boilers and insulation for people who “qualify” to receive them.

The government fails to understand that the CONSUMER IS THE STIMULUS PACKAGE. We must “incentivize” the consumer and that means good jobs with security at all levels of the system from: Manufacturing, Research and Development, Industrial, Technical, Pharmacology and Small Business of all Industries. This is where the Feds need to direct their attention and mandate that banks lend to businesses and give the consumer a break by cutting interest rates on credit card debt by no less than 50% from current levels.

Teachers, police and fire fighters, sanitation engineers and other township workers should be on the payroll of the taxpayers. But, should bad savers, over spenders, illegal residents, non-tax-paying citizens and other non-deserving(s), be eligible for free boilers, refrigerators and insulation or should there be another more equitable arrangement between taxpayer and recipient of charity. At \$21,000 annually, this couple will not be able to afford to stay in their house for any length of time and will the government be there again when the roof leaks or the house needs to be painted or the gutters cleaned? What will happen when the first spouse dies and with that death, so dies the smaller of their two Social Security checks? Will the County, State or Federal government make the mortgage payment or pay the taxes or increase the remaining Social Security check to keep the survivor in the house? And when the survivor dies and the house is sold by the heirs, will there be a debt owed to the taxpayers for their generosity? I would think not, but, there certainly should be, wouldn’t you agree?

That stated, don’t these facts make this couple non-deserving of these benefits? Perhaps the government shouldn’t be in the position of giving out charity at all, *that’s what charities are for*. Maybe there is a better way to enable charities to do their job by giving greater tax incentives to those that give to charity. Better yet, why not give tax reductions to the rich so they can buy and consume more “stuff” that workers need to replace. Or a tax break as an incentive to grow their businesses, hire more **tax-paying workers** and give more to charity? Maybe tax incentives to business owners would allow them to grow and expand, prosper and hire, earn and **pay more taxes!** Instead of the Federal and State Governments behaving like Robin Hood, maybe they should let capitalism, free enterprise, free markets, entrepreneurialism and good old-fashion hard work pay-off! If government spending isn’t immediately curtailed, “rich people” will be defined as an above minimum wage paying job holder. Everyday, the government is redefining who should pay and who shall receive. The middle class is under siege as there are just not enough rich people left to tax for the promise of “change”. More readers of this paper will be forced into making additional IRS payments than ever before to pay for the “FREE Boiler and Fridge” campaign that is now in place **directly** due to Obamanomics. I was brought up to believe, if you can’t afford it, you don’t get it. You spell luck, W-O-R-K! When did the system change? Did I miss the date? “It’s not really Free is it; someone had to pay for it.”

**Mark’s message of awareness and necessity:** Live below your means – always. Every dollar you earn, invest a major percentage of it. Systematic investing is always best. Diversify your portfolio. Invest tax-

free, with tax-deferral or tax advantages. Buy lots of life insurance; you can always get your hands on a major portion of the cash value as needed and leave a legacy for your favorite people upon your exit. Work with a knowledgeable trusted financial advisor. If you have no current financial advisor or you are having some doubt as to the attention you are receiving from your current advisor and would like a second or third opinion, please call me for an appointment with No hesitation. No fee, No cost, No obligations, No Kidding!

*Mark E. Charnet is President and Founder of American Prosperity Group. APG is the Premier Retirement and Estate Planning Franchise in the United States. Mr. Charnet has over a quarter of a century of experience in the Retirement and Estate Planning fields. Creator of the Trinity Method of Investing©, Mark encourages your inquiries and can be reached at: 800-929-3374 or 973-831-4424 or via email, [markcharnet@IAPG.com](mailto:markcharnet@IAPG.com) Check out our website: [www.IAPG.com](http://www.IAPG.com) Interested in a career in retirement and estate planning? Check out this website: [www.APGFranchise.com](http://www.APGFranchise.com) Guarantees are based on the claims paying ability of the insurance company. Securities through: BCG Securities, Inc. Member SIPC, FINRA and a Registered Investment Advisor.*