

## LAYIN' IT ON THE LINE

Steve Kerby



# Don't forget inflation when planning your retirement

The cumulative effects of inflation are often ignored by seniors planning retirement. This oversight can wreak havoc when you no longer have a paycheck.

I was asked a question from a member of our Wallowa community regarding the difference between net income and NET NET income when business planning.

As an example, if you buy an article to sell in your retail shop for \$5 and sell it for \$10, the difference between cost and sales is your net profit. But this is not an accurate picture of the success of your business. To calculate the exact NET NET profit, you must also consider the costs of running the business, taxes, overhead, rent, labor, payroll taxes, any pension liabilities, health insurance benefits costs, any interest on loans, and all other business expenses. When that number is known, then simple math will determine your NET NET return. A true and final result, after more than the obvious subtractions and allowances.

If you're like many people, the older you get, the more you think about effectively planning your retirement. There is no way to be 100% certain how long a person will live after they retire or exactly how much money they will need, so you must be aware of some basic principles.

One of these — the certainty of inflation — is often overlooked by pre-retirees. It's only several years into retirement that seniors sense their money simply isn't going as far as they once did and that they may have underestimated how much they needed to create their dream retirement.

Many retirement planners preach a strict gospel of "avoid risk at all costs." But, is this truly the advice for those within 5-10 years of retirement?

What about the impact inflation has, not only on your daily purchases and costs of goods and services but on your retirement savings? Actuarial tables indicate that someone retiring right now at age 65 might live another 20 years or more. Using a modest 3% rate of inflation, your cost of living could double in under 25 years.

If your financial adviser seems too intent on protecting your wealth and has no strategy in mind for achieving growth that offsets or outpaces inflation, you may need to get a second opinion.

Here are a few issues you should discuss with your advisor as you enter your financial life's distribution phase.

Cost-of-living adjustments (COLA) for Social Security won't keep pace with inflation. A major source of retirement funding for seniors is Social Security.

While Social Security, unlike other investments, does provide periodic cost of living increases, these have never managed to offset inflation. Many financial experts believe that the Social Security Administration uses benchmarks that underestimate the actual rate of inflation. For example, from 2000-18, the cost of drugs commonly prescribed for seniors rose 188%. This dramatic spike caused the purchasing power of Social Security to fall by 34%. The lesson here is that, while Social Security is an essential piece of your retirement plan, you cannot expect payouts to keep up with inflation.

Investments and savings erode with inflation. Like water, inflation has a slow but dramatic ability to erode nearly everything it touches.

While the immediate consequences of inflation seem minor, over time, the effects compound, impacting every aspect of your post-work life. To loosen inflation's grip on your finances, consider investing in things other than bonds and CDs, whose rates of return can be much, much lower than a conservative 2% inflation rate.

Inflation risk is real, and seniors must account for it when designing their retirement blueprints. Retirees and those about to retire must actively manage their finances and understand the ramifications of inflation.

Nominal gains will probably not be enough to offset inflation risk. However, you do have a say in where your wealth gets invested. Educating yourself on inflation risk and other factors that threaten your nest egg is the first step to avoid making mistakes with your money from which you will have no time to recover.

As an avid outdoorsman, Joseph and the Wallowa area have been a big part of Steve Kerby's life since 1964. Steve is a Syndicated Columnists member, a national organization committed to a fully transparent approach to money management. With over 50 years in the financial services industry, Steve specializes and focuses on each individual client's goals. Visit [stevekerby.retirevillage.com](http://stevekerby.retirevillage.com) or call 503-936-3535 for more.



# Censorship is a tool of tyrants

## ON LIBERTY

Devin Patton



Americans have enjoyed the benefits of freedom for over 200 years. Our Founders were wise enough to recognize that in order to self-govern, the citizens and the press needed the ability to think independently from government influence. The First Amendment to the Constitution protects this value, while censorship opposes it. If we allow any form of censoring to gain a foothold, power-hungry authoritarians will use it as a tool to gain power over our speech and our minds.

The ACLU defines censorship as "the suppression of words, images or ideas that are 'offensive,'" and notes that censorship can be carried out by both governments and private organizations. We are familiar with the atrocities of the 20th century that resulted from government censorship.

After securing victory and ending the Russian Civil War in the early 1900s, the Bolsheviks signed the "Decree on Press" to prohibit the publishing of any "bourgeois" articles that were critical of the new government.

In 1930s Germany, the Nazi Party strictly enforced censorship to promote the circulation of propaganda that celebrated their ethnic superiority and simultaneously dehumanized the Jewish people.

We know now that millions of Soviet citizens were sent to prison work camps known as gulags for speaking out against

the government, and of course the unchallenged Nazi propaganda played a significant role in the events that led to the Holocaust.

Currently, the Chinese Communist Party (CCP) is reportedly operating modern concentration camps housing Uyghur Muslims in the Xinjiang Province. The CCP denies their existence, insisting that they are re-education schools to combat "extremism" and to inspire loyalty to the party. Few people truly know what is happening in China because the CCP has such a tight grip on the flow of information.

In America, the current threat of censorship isn't coming from the federal government. Instead, major tech companies are using their power to limit our access to information. A 2019 Pew Research poll found that over half of Americans report getting news from social media platforms. As our sources for news and ideas grow less diverse and less reliable, our thoughts and conversations begin to shrink in breadth and depth as well. When we see influential organizations and political figures chastised or even banned from social media, it becomes difficult to maintain the courage to speak up and speak out against the "Twitter mob." Self-censorship is a particularly dangerous form of censorship because it not only limits the number of ideas in the marketplace, but it also makes people fearful to ask questions.

When we stop learning, we stop growing. Additionally, we also see social media platforms like Twitter performing obvious acts of speech suppression by blocking user accounts or removing content they deem a violation of their policies. A highly publicized instance of this took place in October of 2020, when the *New York Post* was locked out of its own account for

their investigative news article on Hunter Biden's laptop. In this case, Twitter cited a violation of its policy against sharing hacked materials, but the reality is that Twitter and other platforms have the liberty to shape their policies however they like and place restrictions on any type of speech that is in violation of such a policy. Numerous other individuals have fallen victim to Twitter's arbitrary censorship policies, and it is alarming that so many Americans are relying on social media platforms like this for their news. They are receiving curated news feeds formulated by tech executives, and it is influencing their perceptions, for better or worse.

Social media and other large companies engaging in the restriction of free speech are able to rationalize their actions by claiming that an individual's right to expression ends when their speech causes offense to others. However, the only ethical way to combat offensive (or even dangerous) speech is not by silencing it, but by engaging with it in open debate. Even the ACLU agrees: "these private censorship campaigns are best countered by groups and individuals speaking out and organizing in defense of the threatened expression."

Instead of working to silence our opposition, we should seek to engage with people whose views we find challenging, and we must not fail to challenge speech suppression, even the suppression of speech we abhor. Censorship is nothing more than mental slavery and it has no place in a nation founded on principles of freedom and justice for all.

Devin Patton is a third-generation Wallowa County native whose pastimes include the study of ag economics, history and free thought.

# To meat or not to meat?

## WRITERS ON THE RANGE

Allen Best



Pushback against a "meatless day" proclaimed by Colorado Gov.

Jared Polis last month was predictably vigorous. It was part of the "war on rural Colorado," said a state senator who runs a cattle-feeding operation. Twenty-six of Colorado's 64 counties adopted "meat-in" proclamations. Governors from the adjoining states of Wyoming and Nebraska even gleefully designated an "eat-meat" day.

Afterward, Polis' press aides pointed to the hundreds of do-good proclamations the governor issues each year, and the governor quickly declared his beef brisket the rival of any in Colorado.

But this proclamation differed from those affirming truck drivers, bat awareness and breakfast burritos. It called for broad change. Using the language of a "MeatOut" Day proclamation written by an animal rights group, his statement cited the benefits of a plant-based diet in reducing our carbon footprint, preserving ecosystems and preventing animal cruelty. It also noted the growing alternatives to meat, dairy and eggs.

In the 1880s, when my great-grandparents homesteaded in eastern Colorado, they grazed cattle on the short-grass prairie. Ranchers still do. Once off the range, though, our beef production is best understood as an industrial process. The foundation is grain.

In his book *How to Avoid a Climate Disaster*, Bill Gates explains the mod-

ern pyramid of protein: A chicken eats 2 calories' worth of grain to give us 1 calorie of poultry. For cattle, it's 6 calories of feed to produce 1 calorie of beef. I've stood in rows of corn tassels 12 feet high at maturity, the growth boosted by luxuriant applications of fertilizer. I've pinched my nose while driving past feedlots large enough for 80,000 or more head. I've heard the bellow of cows minutes away from the knife at slaughterhouses.

Denver no longer has slaughterhouses but still prides itself on its livestock heritage. The annual Western Stock Show puts cowboy hats in high-end restaurants and strip joints alike. Cattle represent 50% of Colorado's \$7 billion agriculture economy, and livestock altogether 70%. After Polis' proclamation, livestock producers debated boycotting Denver's Stock Show for other venues — perhaps Oklahoma.

Even a legislator from one of metro Denver's poorer neighborhoods objected to Polis' proclamation, pointing out that nutritious vegetarian options aren't available to many of her constituents.

But it's not just low-income areas that lack meal choices. Fast-food franchises in big cities and small towns all cater to the lowest-common denominator, their high-volume enterprises predicated on cheap meat, especially beef. The consequences are that we now have bulbous bellies and too many heart attacks. We struggle to live with restraint.

The meaty issue here is not about meat vs. no-meat. Rather, it's about scale and processes. What have we sacrificed in pursuit of volume?

Credit the ranchers who graze cattle holistically in an attempt to replicate the once-vast herds of bison. But also note that grass-fed beef needs buyers. Most holistically raised cows get further fattened on grain. That's where the market is.

There's also the looming issue of cows contributing to climate change, as highly polluting methane comes out of both ends of cattle. Gates, always the technologist, insists that innovation can reduce the carbon output of agriculture by reducing our yen for real beef. He put his money where my mouth is by investing in a vegetarian product called the Impossible Burger. Last week I had one. It fooled me. I thought it was beef.

Meanwhile, the urban-rural divide remains starkly real and evident in voting and development patterns. While cities struggle to contain their growth, many small towns struggle to hang on. Ironically, the economies of most of these at-risk rural towns are premised on industrial-scale agriculture.

Rural Colorado never has liked Polis, a savvy businessman from the exurbs of Boulder who favors market solutions. He had barely warmed his gubernatorial seat when handmade signs began showing up on rural country roads asking "Why does Polis hate ...?" You fill in the blank.

This meatless proclamation was tone-deaf. It could have narrowly affirmed meatless alternatives rather than decried meat. Denial and anger will not prevail, though. I'm reminded of when coal producers, 10 and 15 years ago, were fighting the future of renewables instead of figuring out their place in the world to come.

Though most of us may continue to eat beef, some of us have already begun to shift away. Polis was perhaps the unwitting messenger of that truth — that cows in the West are no longer sacred.

Allen Best contributes to *Writers on the Range*, [writersontherange.org](http://writersontherange.org), an independent nonprofit dedicated to spurring lively conversation about the West. He writes about energy and water in *Big Pivots*, his e-magazine.