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Christmas is Coming
by
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Christmas is right around the corner and with the exception of Wal-Mart it looks like the nation's retailers are experiencing a 3%+ increase in sales over last year and an approximate 12% increase in e-tailing... those who purchase their Christmas presents on-line. On-line buying is comparatively new to the Christmas shopping scene and has experienced double digit percentage increases over the last several years.

The growth in online shopping is not coming from shoppers with lots more disposable income compared to last year. It is largely from shoppers who are buying more of their regular holiday gifts online. That's at least in part why Wal-Mart can experience declining in-store sales and still see phenomenal growth online (191% increase.) Understandable because who really enjoys bucking the crowds to make your purchases?

In-store purchases are expected to be even larger as December proceeds and some predictors have indicated they expect a 20 – 30% increase over last year's sales. On-line purchases will settle down earlier in the month because e-tailers order early to give their purchases time to arrive before Santa's ETA. All in all, though, it looks like a robust December will validate 2006 as a good year, economically speaking, for all of us.

How many of you folks out there have participated in on-line shopping in a serious way. I'm not talking about a book from Amazon, or a good deal on a "watch-a-ma-call-it" off E-Bay, I'm talking serious buying like purchasing a car; a whole new wardrobe; new furniture for the house, etc.. A friend of mine recently purchased a brand new Toyota on-line from his home in FL and took delivery in Ohio. Another individual purchased a one year old SUV, sight unseen, on E-Bay from his home in Virginia, for over \$18,000 and took delivery on the car in South Carolina where the seller had driven from his home in Alabama. These are serious buyers.

I haven't as yet become a serious buyer because I have the same fears as most of you... Fear of Identity theft; Fear of Mis-use of my credit card number; Fear that articles purchased will not be delivered; and just Fear of the unknown in general. I have become a member of Pay-Pal which is a simple way to pay for and/or be paid for articles sold on the internet. Interestingly enough Pay-Pal may also be used to transfer money from one individual to another... similar to the way Western Union is well known for its money transfers. Belonging to a service like Pay-Pal also allows you to list your credit card number with only one source on-line, thereby reducing the potential for hanky-

panky with your money source. I will say, however, I keep getting bolder and bolder in my purchases and as yet, I've had no bad experiences to show for my activity, and it certainly is painless.

I was reading a report today put out by Federal Reserve Banks stating that around 50% of Americans invest in the stock market and those that do invest in the market as part of their personal financial plan will end up with a greater wealth than those who do not invest in the market. That's not manufactured information, that is fact and those with greater wealth will naturally have a larger estate to leave to their kids and grandkids. This sounds like a great way to generate a larger middle class of citizens, economically speaking, so why don't those in our nation's capitol allow a greater participation of the younger generation in the stock market through Social Security contributions?

One last scenario before I have to go back to my crystal ball for my daily séance... Let's say I begin a business from nothing in my garage, producing a product that takes the nation by storm and before you know it, it's worth \$10 Million dollars. Each and every year it took to increase it's value to \$10 Million I religiously and gladly paid my B&O taxes; Property Taxes; Income Taxes; FICA Taxes; More Income Taxes; and any other tax imaginable to man, as required by my local, state and federal governments, and invested most of the money that happened to be left over each year into building my business even more. In addition to my heavy tax load I have also generously given to many and varied charities to help those who are less fortunate than I.

20 years pass and I develop a deadly disease that leads to my untimely death. With a federal estate tax in force like we used to have not too many years ago my children could have to pay up to \$2M or \$3 Million dollars to the government to allow the remainder of my estate to pass to them. In other words, all these years I've had a silent partner in my business by the name of Uncle Sam, who steps in at my death and demands my heirs pay him 20 to 30% of my worth, even though I've paid him faithfully large sums of money in taxes. My questions...Why would anyone think it is okay for the government to be so greedy just because I've been a success? What has it done to deserve such a large portion of my life's labors? Why should I have to spread my wealth through the means of unjust taxation?

Can anyone answer these simple questions?

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