

# THE BUFFALO NEWS

## Financial illiteracy in candidates threatens us all

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Late summer is typically the time when Americans divert their interests away from odious topics such as the political culture, and focus instead on more enjoyable pastimes. Recent comments by presidential aspirants have raised real concerns about the financial literacy of some of the candidates.

Some observers might claim that what a president knows is immaterial; what is important is his or her staff of advisers. We need look no further than President Obama's present and erstwhile staff of economic advisers, whose advocacy of dubious policies contributed to the financial panic that began in 2008. The staff is a reflection of the president; who is the ultimate decision maker on policy issues. If the president does not have an understanding of how the economy works, we are all at risk, despite the credentials of his or her advisers.

A couple of recent incidents may illuminate for the electorate the lack of economic moxie demonstrated by candidates of a national party. These are people who, if they win their party's nomination, could become president of the United States.

Iowa straw poll winner Rep. Michele Bachmann showed up at a campaign stop in South Carolina on Aug. 16 wishing Elvis Presley "happy birthday" on the 34th anniversary of his death. While a comical gaffe, her understanding of energy policy borders on disbelief. On Aug. 7 she was quoted saying the following: "The day that the president became president gasoline was \$1.79 a gallon. Look at what it is today. Under President Bachmann, you will see gasoline come down below \$2 a gallon again. That will happen." Really? How so?

Bachmann opposed the raising of the debt ceiling. She opined that the reason S&P downgraded U.S. debt was because the federal debt ceiling was increased by \$2.4 trillion. The fact that the debt ceiling has been increased more than 70 times in the last 50 years without a downgrade in U.S. debt gave her no cause to re-examine her position.

The latest entry into the race has been Texas Gov. Rick Perry. On Aug. 15, at a campaign stop in Iowa, Perry advised Federal Reserve Chairman Ben Bernanke that "Printing more money to play politics at this particular time in American history is almost treasonous in my opinion."

Perry does not seem to be aware of the Fed's dual mandate -- to promote maximum employment and stable prices. With the unemployment rate at 9.1 percent, does Perry really believe that the success of his campaign is more important than alleviating the suffering so many of our fellow Americans have to endure right now?

At a time of national economic distress, we need clear-thinking leaders who understand the dynamics of national and global economies. If Obama has learned anything, it is the limits of the presidency.

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