

# Ouch! They Still Get You Where It Hurts Most

By Reg Green



**A friend wrote the other day** that having retired from regular work he pays attention for the first time to the daily closing price of the Dow Jones average and the resulting fluctuating value of his IRA. He's finding out personally what all economics textbooks say so casually, that retirees are hit disproportionately by inflation. For people in the workforce wages eventually rise to compensate for higher prices. By contrast the retired see only the value of their pool of savings steadily shrinking.

When, before World War II, every county in England was stocked with Colonial Civil Service retirees, used to a high life in the tropics with servants, but now dependent on the flow of retirement income paid in native currency, the mood of any gathering of the better-off, even in cottages in the leafiest English lane, was haunted by how strong the rupee was that day.