

What's Available Today?

The point I want to make is that the real choices that are available to you today are depicted in Chart 26.

Chart 26

Available Returns (%)

	Nominal	After-Tax	Real After-Tax
Short -Term Debt	1	.65	-.85
Long -Term Debt	5	3.2	1.7
Equity	8	6.8	5.3

On short-term debt you can get something like 1%. If you are in the 35% tax bracket you get to keep 65%, so it's .65%. If inflation is 1½ %, then you net a *loss* of .85%. If you buy Treasury Bills today and you pay your taxes, you are guaranteed to lose money — at a modest rate, but you are *guaranteed* to lose money.