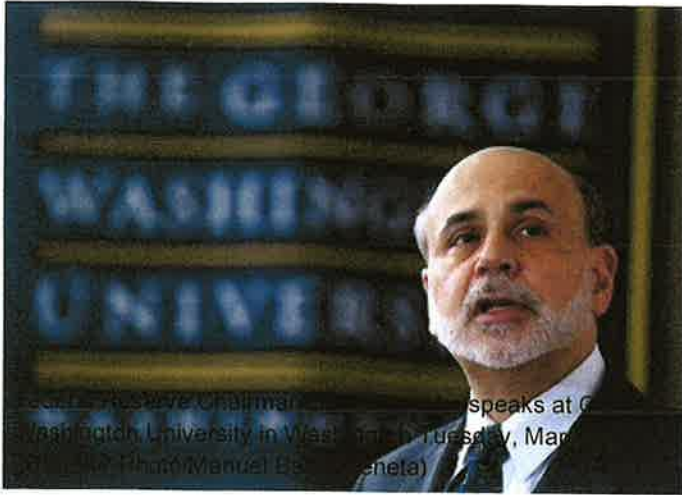


# Are You as Dumb as Ben Bernanke?

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"Stupid is as stupid does" is not often the description used for economics professors at Princeton; but listening to the majority of media rhetoric on where *not* to invest, it would appear that guilty is the verdict for **Ben Bernanke**.

Despite being perhaps the single most influential human on earth when it comes to money, our own Helicopter Ben must be fairly dimwitted when it comes to his personal investments -- or so it appears according to many pundits and "experts" in financial matters. How could a man who earns well over \$1 million annually from royalties in textbooks alone, be so ill-advised putting his own money to work? What is

it that Professor Bernanke has done with his own moola that is so perplexing?

In annual reports from the central bank, the Fed Chief and its governors must report their personal investments and holdings. And would you believe that Ben Bernanke's two largest personal investments are in **fixed** and **variable annuities**? That's right, variable annuities (crickets chirping). It's a fact: The most powerful financial authority owns both variable and fixed annuities as part of his retirement accounts.

GASP!? Why would Ben want to own allegedly more expensive tax-deferred vehicles inside an already tax-deferred account? Can he really be that ignorant? Consider this: maybe it's not about the tax deferral benefit offered in annuities, but about the guarantees provided to his retirement nest egg. Surely, in addition to his own experience and intellect, Ben has access to extremely experienced and competent financial advisors he could bounce his investment ideas off of.

Also according to the annual reports, he owns bonds and mutual funds and other stuff; but his biggest holdings are annuities. So maybe Ben knows something the pundits and bloggers and self-proclaimed experts do not understand. It's not about cost, it's about what you get for your money (net, after all expenses) that matters most. Heavy hitters in the millionaire/billionaire club figured out a long time ago that it's not what you spend, it's what you earn; and if one cannot muster the courage to accept and manage a little risk, one is destined for personal financial Armageddon in the long run.

Who is wiser, the **financial experts who write about money** or the mover, shaker and policy maker? My money is on Bernanke and other highly successful people who see the value of an institution (such as an insurance company) standing behind its investments and protecting their money from ultimate losses, whether living or dying. Who knows, maybe Ben is dumb ... like a fox?