



Letter to the Editor

September 22, 2009

The following letter is in response to our article, [Mohammed El-Erian: We Have Not Reached Escape Velocity](#), which appeared last week:

Dear Editor:

I always enjoy reading what El-Erian has to say. I appreciate his remarks about stagflation vs. inflation, but I question whether its effects are going to be asset-class specific.

We have billions of phantom dollars being replaced by real dollars. I question whether that is inflationary at the highest economic level. I clearly see deflationary effects for the middle class, with fewer dollars for the largest segment of our population. It brings to mind the accusations of Bush's "war on the middle class," with major wealth accruing to the "super wealthy" at the expense of the middle class, via taxes.

I agree that the U.S. stock market should be a smaller part of retirement investment portfolios going forward, and that real estate (lien free) and other assets should occupy a larger part of the retirement plan.

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