

# Incentivizing thrift by ronald wilcox

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The article highlights that the government has a role to play in the economy, according to the article the government taxation and policy measures should be changed in order to encourage savings, Wilcox states that the government should replace income tax with a consumption tax, this means that individuals will consume less and save more for future. The only problem with this proposition is that individuals may be taxed twice whereby they are taxed currently as they earn and after the taxation system is changed they will be taxed as they consume.

#### Education:

The article also states that another solution to the problem of saving in the economy is education. One of the reasons why people save less is a lack of knowledge regarding economic concepts. This should be undertaken by the introduction of financial literacy into the school curriculum.

#### Conclusion:

From the above discussion of the article, it is evident that the government has a role to play in encouraging saving in the economy, the government can replace income taxes with consumption taxes, the introduction of financial literacy into the curriculum and the introduction of low-cost retirement saving plans.