

Buddy can you spare me a dime?

By Paul Gibson



Spain is among the top ten countries with the most millionaires, checking in at around 148,000 millionaires. The Spanish Revenue Service claims that they only know about 65 possessing more than 30 million euros, while Merrill Lynch reports over 1,500 making this much. All of this begs the question: How much do you make? Why are you making “x” amount of money, while those around you make “y”? Why are salaries so low in Spain? Why does everyone call Spain, the richest “poor people” on the planet?

This week’s Business Weekly decided to “burst the bubble” and “unveil the truth” about Spanish wealth.

There is an ongoing debate among economic experts and especially among Spanish salespeople: why do Spaniards live so well? How can they spend so much money...and at the same time claim that they don’t have any? Yeah, I know what you might be thinking, but in fact, your opinion may or may not be in line with the truth.

The “land of opportunity” is becoming more and more “the land of anonymity.” Why has Spain grown so much and salaries grown so little? The answer lies in some basic economic principles. Most of the wealth here in Spain is called “inherited wealth,” which has been passed on from generation to generation. Among our

circle of friends, we hear the idea of “going to our summer home” for the weekend. Wait a minute! TWO HOMES! Why is everyone complaining about the cost of real estate...if they already have two homes? Well, there are actually two or three possibilities: You own both houses and are playing the “mortgage game” and paying one mortgage off by letting or renting out your other home. The second possibility is that your house is really your parents’ house or houses. Or lastly, you own your own house in the city and your “summer home” is actually the summer home for the entire family through “time-sharing” agreements.

In any event, it never ceases to amaze me how Spaniards spend money. It seems like no one has a dime, and every time you turn around, everyone is traveling abroad, buying expensive cars, and buying the latest technological toys. So now we are back to square one!

Where does all the money come from? ...

Public entities all agree that “tourism” is the main contributor to Spanish wealth, but I have my doubts about that. Could it be that everyone has “a rich relative” who works at a bank and gets them a lucrative position at the bank? That sounds a lot more feasible.

Have we gone overboard with our idea about “allowances”? Let’s see. People live with their parents until their thirty...hmmm. I think we have our answer right there. If I save half of the money I make because I don’t have to pay rent, well... I could be a very rich man! I could even buy a house! ...

Finally, the other possibility is that we somehow participate in the “black market.” This means we earn very little money, but we don’t declare any of it! A lot of saavy businesspeople have learned a great deal about tax havens, corruption and embezzlement. In fact, some of them are real pros. Some say crime doesn’t pay, but oh boy, they obviously haven’t lived in Spain!

I give up...it’s hopeless. Can anyone shed some light on this subject for me?