



“I Should Have Bought Annuities.”

Don't repeat the past, learn from it!

Fortunes are hatched when a good idea comes along at the right time. But if a craze takes hold, make sure you have a few eggs tucked away elsewhere. One entrepreneur who forgot to do so was George Merrick, the man who developed Coral Gables, Florida, in the 1920s as a community for wealthy retirees. As he plowed along, suddenly the great Florida land boom hit, and property prices exploded. Salesmen praised the blue skies on chilly street corners.

Northerners in droves bought the pitch, and by the summer of 1925 George Merrick was easily worth \$80 million. His relatives also came on down. “He liked cream-colored trousers,” recalls his nephew, Donald Kuhn, 65, a mail-order executive in upstate New York. “When we went to visit him, he’d always root around in his pocket and give us each a dime.”

Then, out of the gray, the good times ended. On September 17, 1926, a hurricane swept away much of nearby Miami Beach, effectively drowning the public’s interest in Coral Gables. Seasoned speculators ran for cover. But Merrick persisted, only to be socked by another hurricane in 1928.

Coral Gables Corporation finally went bankrupt, leaving Merrick in such desperate straits that he could not afford to replace the tires on his Cadillac. “I got nothing out of Coral Gables,” he told Fortune in 1936. “I never even went to Europe.” Merrick spent his last two years as postmaster of Dade County and died “the next thing to penniless,” says Kuhn. Merrick might have blamed the gods for his losses. Instead he assumed the responsibility and stated: **“I should have bought annuities.”**—Fortune, July 18, 1988



Annuities can provide an income for life!