



FINANCIAL PREPAREDNESS

"One of life's most painful moments comes when we must admit that we didn't do our homework, that we are not prepared." ~ Merlin Olsen

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Welcome to the inaugural issue of Financial Preparedness! As many of you know, I love to read, write, and share helpful information with people.

It all started when I was a freshman in college. I'd cut out interesting articles I'd read in the newspaper and post them on a bulletin board in the hallway in case a student wanted to read one while waiting for a class.

After spending the last 26 years using the left side of my brain to crunch numbers, I long to use the right side to write.

I started working on this project almost three years ago. After several major interruptions, I finally have the time to write, and I know what I want to say.

I am not like Moses bringing the sacred knowledge down to you from high atop the mountain. For me, this is more like a journey where I'm seeking the Truth. I hope you will join me on this journey, as you have knowledge, insights, experience and wisdom that I don't have but that all of my readers could benefit from. So please feel free to share with me anything you think would help our tribe.

This will be a newsletter for prudent people who want to learn how to prepare for the

unexpected so they can protect their life, health and wealth at a time of unprecedented and hidden fragility and danger.

Who Am I and How Can I Help You?



Narcissism is a big turnoff for me, so I don't like to talk about myself. I prefer to quietly do a good job and let my actions speak for themselves. But first you need to know who I am, what I've done, and what I know and believe.

In my 52 years, I have done and seen a lot of different things and have acquired a lot of knowledge and wisdom (as evidenced by the white hair in my beard), which I'd like to share with you.

When I was designing a business card for this venture, I had to come up with a title for myself. I couldn't reduce it to just one, so here's what's on the back of the card:

Writer ~ Lifelong Learner ~ Bibliophile ~ Polymath ~ Critical Thinker ~ Skeptic ~ Contrarian ~ Sharer ~ Value Creator ~ Financial Psychologist ~ Spreadsheet Poet ~ Prepper ~ Humanist/Misanthrope ~ Health Nut ~ Pickleball Aficionado ~ Kayak & Recumbent Tricycle Enthusiast ~

Saunterer ~ Canine Idol ~ Individualist ~ Voluntarist ~ Root Striker ~ Raconteur ~ Old Soldier ~ General Badass

That pretty much sums it up, but you can see my official CV [here](#).

I grew up in a middle class family in a small town in a rural part of central Florida. I spent a lot of time outside (mostly fishing and cutting grass) and played several sports in high school. My family valued education (everyone in my family of five went to graduate school and taught at the college level).

I have followed politics pretty closely since I was a teenager, and earned a bachelor's degree in the subject. So I am very familiar with how destructive, hare-brained, corrupt and incompetent politicians can be.

After spending two years in Army ROTC, I became a Field Artillery officer and spent four years on active duty, stationed in Germany (where I had previously done several youth exchanges).

Although (thankfully) I never had to serve in combat, I came extremely close to going to Saudi Arabia during Desert Shield, to Kuwait after Desert Storm, and to Bosnia in 1993. After I became the platoon leader of a howitzer platoon, our battery was the first in the Army to be trained for peacekeeping duty in Bosnia, which was completely different from

our old mission of fighting the Soviet army on the plains of Europe.

Serving in the military (which included leading soldiers in extremely stressful conditions and learning how to do dangerous things safely) and living overseas gave me a lifelong “reference point” that many Americans lack. I'll never forget arriving at the airport after six weeks of ROTC Basic Camp and being shocked by how easy civilians have it.

During my last couple of years on active duty, word got out that I knew a few things about investing, and I became the unofficial battalion investment advisor, providing counsel to everyone from young privates to the battalion commander. It was fun, and I had found my calling.

After hanging up my costume, I came to metro Atlanta, where I earned a master's degree in Personal Financial Planning, sometimes while working during the day at Price Waterhouse. I soon earned the Certified Financial Planner designation and became a self-employed, fee-only financial planner in 1996.

Later I earned the Chartered Financial Analyst (CFA), Chartered Life Underwriter (CLU) and Chartered Financial Consultant (ChFC) designations. These days, there are dozens of designations that financial product salespeople can quickly and easily obtain to put behind their names in order to fool consumers into thinking that they know something.

I have always had a fiduciary relationship with my clients and have never sold a financial product or received a commission for doing so. My compensation is not affected by my recommendations or my clients' actions or decisions.

As a financial advisor, I've been through the Tech Bubble & Crash of 1997-2002, the Great Financial Crisis of 2008-2009, the COVID scare of last year, and now the current Bubble of Everything. I've seen nearly everything. “Nearly” because the most extreme is still to come, and I believe it's imminent.

During that time, I've learned a lot about psychology (more specifically, the genre known as Behavioral Finance, especially greed and fear, the latter of which is a very powerful emotion) and human nature.

All of the clients I have now have been with me for a long time. They're great because they hardly ever get excited (good or bad) about anything, have patience and perspective, and leave me alone so I can do my job.

Although I've read hundreds of books (and thousands of articles), there are about 2,000 books on my To Read list, and I am just beginning to understand how much I still don't know. Henry David Thoreau (my hero) wrote, “Books are the treasured wealth of the world and the fit inheritance of generations and nations.”

After spending decades observing politics and financial markets, my bullsh*t detector is at a permanent maximum setting. Both Washington and Wall Street have a strong financial incentive to deceive you. Usually they do this by having the legacy media tell you stories.

Although I plan to write a fair amount about politicians and their brilliant ideas, I have no intention of trying to change your political views. I believe in free markets and free people, but during the past 20 years, I have not supported the ascendancy of any politician to office in order to lord over you, so I mean you no harm and you have no reason to fear me.

I want to live in a non-political world, and Ghandi said, “Be the change you seek.” I am primarily focused on tending my own garden and presenting to the world one improved unit of myself.

In 2019, I completed the [Community Emergency Response Team](#) (CERT) course, and have received formal training in first aid (in a grid down situation) and diseases, self-defense, etc. I also hold several soccer coaching licenses (I coached for 7 seasons and played for 14) and am a certified pickleball instructor. Does that make me a Renaissance Man? :-)

Enough about me. Let's talk about how I might can help you.

Take the Red Pill

In the 1999 movie “The Matrix,” the character Morpheus offers Neo a choice of taking a blue or red pill. If he takes the blue pill, he'll “return to the digital world crafted by machines to appease the enslaved human population.”

But if he takes the red pill, he'll wake up from his “normal” life of sloth and ignorance, even though he'd feel safer or happier if he didn't. It enlightens him and exposes his disillusion, allowing him to see the world as it truly is, no matter how painful or gritty or difficult to accept it may be.

I believe that in order for you to understand, prepare for and survive the catastrophic financial/economic/societal crisis that I see coming, *you must take the red pill.*

You must accept that there will never be enough wealth in the world to pay for the benefits that politicians/governments have already promised.

You must accept that the unprecedented mountain of debt that exists at all levels of society can never be repaid with honest money.

You must accept that just like dozens of fiat currencies that preceded it, at some point the dollar will revert to its intrinsic value (zero) because it is backed by nothing, and the federal government/Federal Reserve has no choice but to print its way out of its fiscal predicament.

You must accept that most Americans have no savings, are deeply in debt, and are months behind on their mortgage or rent.

You must accept that 26% of Americans are unemployed, and many will never be

employable. Many have been hiding (or hidden) in the federal disability program, and soon Universal Basic Income will make work even less attractive.

You must accept that these days, everything from elections to financial markets is rigged in favor of the 1% elite ruling class. The stakes are too high for them to not be.

You must accept that we have a crony/surveillance capitalist, winner-take-all economy where 1% or less of the population controls the vast majority of the wealth (and the politicians), while the real income of the bottom 90% has declined since 1970, making them resort to debt just to make ends meet. This is very unhealthy and destabilizing.

You must accept that there has never been so much leverage, complexity or instability in the financial system. Financial markets are complex systems that can collapse at any time, especially when they're full of leverage, moral hazard and fraud.

You must accept that, due largely to the Fed's manipulation of financial markets, U.S. stocks and bonds are at record valuations, and investor sentiment is near a record high. Few times in human history has speculation been so extreme and pervasive.

You must accept that we have a long and fragile supply chain with just-in-time delivery that can easily be disrupted. Many if not most of the products we use (including nearly all drugs) are made overseas. Never before have so many people lived in urban areas, where food is trucked in to grocery stores, whose only inventory is on the shelves. Never before have people been so disconnected from the food they eat.

You must accept that our electrical grid is unprotected from an electromagnetic pulse, either from a solar flare or a nuclear weapon. The transformers that would need to be replaced are made overseas and require a long lead time and special engineering and logistics. Untold millions of people would die. This is one of the greatest and most likely risks we face (read [Lights Out](#) below).

You must accept that viruses have already been discovered on computers that run the stock market and our electrical grid, waiting to be activated at the most effective time by an unknown malicious actor.

You must accept that there are far worse diseases than COVID that could easily become a global pandemic. Given the extreme overreaction of governments around the world to COVID-19, I am just as terrified of that as I am of the disease itself.

You must accept that there are any number of natural (meteor strike, solar flare, volcano, earthquake/tsunami, drought, flood, plague, etc.) or man-made (nuclear accident, bioweapon, terrorist attack, kinetic war, cyber war, civil war, civil unrest, etc.) disasters or black swans that could end the world as we know it.

You must accept that we are running out of the finite supply of oil and other fossil fuels, an extremely dense source of energy that powered the Industrial Revolution and the unprecedented expansion of our economy and standard of living. Currently there doesn't

seem to be anything that can replace it in the quantity we would need.

You must accept that politicians have never been more eager to spend money they don't have, and that their ideas/proposals have never been nuttier. Almost every day I hear about something in Washington, D.C. that is unprecedented. The tens of thousands of National Guard troops and the fence around the Capitol are like something out of a dystopian novel and are particularly alarming.

You must accept that corruption and the Revolving Door are increasingly becoming a major problem. And a number of the rulers don't even abide by their own edicts.

You must accept that the U.S. is in the midst of a cultural revolution, where tens of millions of people are being maligned, censored and canceled. A large, growing and disillusioned underclass, led by “trained Marxists” and nihilists, have learned that rioting, looting, arson, assault and murder are not only acceptable expressions of speech, those actions will be cheered by politicians, Hollywood and the media and financed by billions of dollars of donations from corporations and foundations.

You must accept that Americans are more divided, polarized and anxious than at any time since 1860. Many people are on edge. Thanks to COVID restrictions and the trend towards “bowling alone,” we don't congregate or talk with each other anymore. Even when you do see someone in meatspace, you usually can't see their facial expression because of their mask.

We sit behind our computers, getting into flame wars with our neighbors on NextDoor over perceived slights, or banishing “friends” from our followers because they said something we don't agree with or support a certain candidate or belong to a certain political party or are on a certain social media platform. Or we attack, report, cancel or doxx complete strangers for similar things.

There's no room for debate or persuasion, no attempt to empathize or understand where the other person is coming from, no interest in hearing new ideas or different perspectives, no nuance or shades of gray, no room for forgiveness, redemption and reconciliation, no curiosity about history or how we could learn from the mistakes of the past, no acknowledgement that we are all flawed and there will never be Heaven on Earth.

The whole situation reminds me of a scene from Maoist China or a Khmer Rouge re-education camp. It is rapidly spinning out of control (as Trotsky discovered when he found an ice axe in his skull, there is always someone else who could be purged), and is truly frightening.

You have to accept that given the right circumstances (fear, hunger, desperation), your fellow human beings are capable of horrific acts of cruelty and violence, especially if they're provided with a uniform (perhaps with a bit of ribbon on their chest—Napoleon was amazed by the motivational power of that) or a badge, a demonized enemy, and orders from an authority figure (e.g., Milgram's experiments on obedience, the Stanford prison experiment). In the 20th Century alone, [governments murdered approximately 262](#)

million of *their own citizens*, some *six times* the number who died in combat in all of the century's wars combined. Some of the books on my To Read list are about what “ordinary” Germans did to civilians (including children) in Eastern Europe during WWII (see, for example, the movie “The Pianist”). Man is red in tooth and claw, and you do not want to be around him when he is desperate, delusional or “just following orders.”

You must accept that the Blue Pill world we seem to live in, with unprecedented wealth, luxury and convenience, is an illusion, that our situation has never been so fragile and precarious, that there is only a thin veneer of civilization that could suddenly be torn away, leaving us in a world without rule of law (WROL). We are only nine meals away from total chaos.

You must accept that no cavalry would come to your rescue—not the federal government, not the National Guard, not the (defunded and demoralized) police. Even if they wanted to help (which is probably not a valid assumption), they'd be overwhelmed. You'll be on your own.

Taking the Red Pill and knowing about black swans is like knowing about a black hole that's really close to Earth—it can be terrifying. The good news is that there are a ton of things you can do to prepare yourself ahead of time so that you and your family have a much better chance of making it through any future crises in relatively good shape. I'll discuss those in detail in future issues.

What You Should Be Doing Now

I will cover the why and how of these in future issues, but here are some actions I recommend you start taking (or at least thinking about) now, since they generally take a long time to get done:

1. Take the Red Pill and learn about black swans. If the emperor has no clothes, acknowledge it. If you've stuck your head in the sand because you don't like to think about bad things happening, pull it out and look around.
2. Reduce your exposure to U.S. stocks and bonds (ideally at a good price and in a tax-wise manner).
3. If you live near an area that has high crime, poverty or population density, strongly consider strategically relocating to a safer, less populated area where the locals are more resilient.
4. Start buying healthy food (especially meat) with a long shelf life, and building a deep pantry. Get an extra freezer if you have the room. Don't forget paper products (TP AKA “mountain money”), soap of all kinds, toiletries, vitamins and supplements, medical supplies and pet food.
5. Start trading your rapidly declining dollars for products with a long shelf life that you are going to use (or at least you could barter) at some point in the future.
6. If you're not in great physical shape, start exercising (ease into it) and losing fat (stop eating sugar and wheat).
7. Start developing a local network of like-minded, trustworthy people who have skills, knowledge or resources that would be useful during a crisis/depression/

collapse.

8. If you don't have the knowledge or means to defend yourself, figure out how you would do that (don't rely on just one method) and obtain training from a qualified instructor.

9. Books to read:

The Black Swan by Nassim Taleb

The Fearful Rise of Markets: Global Bubbles, Synchronized Meltdowns, and How to Prevent Them in the Future by John Authers

The Road to Ruin: The Global Elites' Secret Plan for the Next Financial Crisis and Aftermath: Seven Secrets of Wealth Preservation in the Coming Chaos by James Rickards

The Fourth Turning: An American Prophecy—What the Cycles of History Tell Us About America's Next Rendezvous With Destiny by William Strauss and Neil Howe

COVID-19 and the Agendas to Come, Red-Pilled by James Perloff

When Money Dies: The Nightmare of the Weimar Hyper-inflation by Adam Ferguson

The Crash Course: The Unsustainable Future of Our Economy, Energy and Environment by Chris Martenson

Lights Out: A Cyberattack, a Nation Unprepared, Surviving the Aftermath by former “Nightline” host Ted Koppel

(If you like fiction) One Second After by former Army colonel and professor of military/technology history William Forstchen (this is the first in a three-part series; I recommend all of them).

I would love to hear from you! I thrive on feedback from readers. If you have any comments, suggestions, insight/wisdom, or you'd like to share a link to a great article, please [email me](#).

Generally, I don't have time to answer questions about your specific situation, but if you have a general question that I think other readers also have, [let me know](#) and I will provide an answer in a future issue.

Feel free to forward this to a friend.

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Investments carry risk, are not guaranteed, and do fluctuate in value, and you can lose your entire investment. Past performance is not indicative of future performance. You should not invest in

something you don't understand, or put all of your eggs in one basket.

Before starting a new diet or exercise regimen, you should consult with a doctor, nutritionist, dietician, or personal trainer.

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