



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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The Wellness Path

Last week I mentioned that there are many things you can do to improve your health besides losing fat, eating clean and drinking a lot of good water. This week I'm going to tell you about a lifestyle/mindset/philosophy that I call "The Wellness Path," which is the opposite of the standard "Medical Path" (doctors, drugs, surgery and hospitals). It's a holistic, integrated approach that is based on self-awareness, mindfulness, a slower pace, nature, biorhythms, meatspace (instead of virtual) and the analog (instead of digital).

Most of this lifestyle requires self-awareness, which personal effectiveness guru Michael Hyatt says is "the meta-skill of the 21st Century" (a meta-skill is a skill that allows you to have or acquire many other skills). Self-awareness is the ability to step outside of yourself so you can be aware of your thoughts, emotions and actions instead of just unconsciously having and reacting to them, like a more primitive animal would. It allows you to observe your thoughts and actions from an unbiased perspective, so you can see yourself as you truly are (which is closer to how most people see you) instead of how your ego would like to see you. I think that empathy (being able to see things from another's perspective) is a part of self-awareness. I am often amazed by the lack of self-awareness of many people and suspect that this is the root cause of many of our problems.

A major component of this lifestyle is having/knowing your life's purpose—your calling, what you were put on this earth to do. The Japanese call this your *ikigai*. The book [The Blue Zones](#) profiles the people who live in the five geographic areas that have the world's longest life expectancies. One of them is the island of Okinawa in Japan. The Japanese don't have a word for “retirement” (and like Sardinia—another blue zone—they may not have any rest homes, either), because no matter how old you are, you're expected to get up every morning and contribute to society by performing your craft; that's your duty as a human being.

Work gives people dignity and meaning because they've still “got it” (in part because they're still doing it) and still have something to contribute to society. No one is described as a “pensioner” (how pathetic is that?). If you're “retired,” that's it, you're done and there's nothing more for you to contribute. Most people dream of being retired, and as a financial planner, for a long time I just assumed that nearly everyone wanted that (usually as soon as possible), or at least *should* want that. But I think it's fairly common for people to either be lost (and to not know what to do with themselves) or to pass away soon after they retire.

Another major component of a healthy lifestyle is movement and exercise. Many Sardinians are shepherds, and they usually have to walk about five miles (without the assistance of those motorized scooters you see in Walmart) up and down hills to their flock. People in Okinawa (including the elderly) sit on the floor, so are constantly getting up and down (without the assistance of a motorized chair to lift them up and down). Many of man's so-called “advancements” such as the car, chair, television and shoe have had some devastating unintended consequences for his health. If you think that something like a motorized scooter is going to solve your problem and make your life easier, it's not—it's only going to make it worse. *You're going in the wrong direction.* You need to get some exercise and lose some fat so that you don't need a scooter to move.

Sitting is the new smoking; sitting for hours at a time is one of the worst things you can do. If you sit in a chair for eight hours a day, not even going to the gym for an hour can make up for that. After my heart attack, I replaced my desk and chair with an adjustable height desk, a treadmill base, a yoga ball and a slant board for my feet. Most of the day, I would either stand at the desk (often propping a foot, knee or leg up on the ball, in front of, to the side and behind me) or would sit on the ball (which is comfortable and gives you a break but still engages your core), and towards the end of the day, I'd walk slowly on the treadmill base while doing work that didn't require typing on a keyboard.

Stretching also provides many health benefits (I just started reading [Stretching](#) by Suzanne Martin). I used to play pickleball with a yoga instructor, who recommended that I do yin yoga (deep, static stretches for up to five minutes at a time) at least once a week since I was doing so much exercise (contracting my muscles) but nothing to elongate them and stretch my fascia and joints, which is an important part of having healthy muscles. I signed up for a yin class at a yoga studio and discovered just how tight my muscles were and how inflexible my body was. After my first class, I felt amazing, like I was on Cloud 9. A yin class is a great way to provide some self-care, as they are so quiet and gentle that you can either zone out or meditate during the long poses, and even fall asleep during the

relaxation pose at the end. Post-COVID, many yoga classes have moved online.

As people get older, they start to lose muscle mass, which can lead to falls, a broken hip and an early death. Exercise maintains your muscle mass and keeps you strong, strengthens your immune system, helps you sleep better, increases your metabolism and reduces body fat, improves your cardiorespiratory health, aids your digestion, improves your mood, increases your longevity, provides opportunities for fun, sunshine (crucial Vitamin D) and socialization, improves your confidence and self-esteem, and makes you a more attractive mate, among other benefits.

Walking is a classic low-impact form of exercise that also allows you to see natural beauty (which is great for your mental health) and meet or socialize with other people. When you walk, try a pair of minimalist (“zero-drop” heel) shoes for a more natural experience (my son likes his [Xero](#) shoes, and I'm on my second pair by New Balance). Swimming is another great low-impact exercise, especially if you have bad joints. You don't have to swim laps—there are many water aerobics classes you can take. If you like riding a bicycle but worry about falling down, consider a [recumbent tricycle](#). We have a couple of these and loved riding them through our old neighborhood and on nearby bike trails. They are MUCH more comfortable than a bicycle, and you'll get major cool points (the kids in our neighborhood used to gawk at us like we were riding on space ships).

You can make exercise fun by playing a sport that involves other people. I started playing pickleball over seven years ago and now it's my craft. There's a reason it's the fastest growing (about 15% per year) sport in the U.S. Instead of thinking about how you're sweating and breathing hard or your muscles are aching, you're competing, socializing, laughing (the ball does crazy things, and players make funny or amazing shots), having fun and (if you're playing outside) getting Vitamin D and fresh air, all of which are great for your health. It's a great sport for older people since the court is relatively small and there's not a lot of torque on your shoulder (as there is with tennis). I often see players who are over 85 and can hang with players like me; they're my heroes!

Most people know they need to exercise and are willing to do it but just need a “slave driver” (a personal trainer or class instructor) to motivate them, kick them in the ass and hold them accountable. Before COVID, I did a boot camp class a couple of times a week at the Y. That kind of exercise is what I call “boring torture.” It kicked my ass and was joyless with almost no socialization (we respected each other the same way that, say, prisoners in a torture chamber respect each other), but I liked how it made me look and feel, and it made me a better athlete.

After COVID, many people replaced their gym membership with a home gym, which is more convenient but provides less accountability/peer pressure and opportunities for socialization. I had a set of these [free weights](#) in the past and now that they're back in stock, I plan to buy another set soon. It's something you can do on a rainy day.

Probably the most important and beneficial form of exercise you can get is just doing chores around the house. This works an entirely different set of muscles that are used to stabilize your body. So you don't necessarily need to go to the gym to pump iron, but you

may need to let your maid go so you can vacuum and unload the dishwasher yourself.

Sleep is the most powerful life hack you can make; I've heard Olympic athletes say it's the most important part of their training. Sleep gives your body a chance to recharge, rebuild, heal itself and process and consolidate the day's sights and thoughts. You should try to get eight hours per night. Try to go to bed and get up around the same time every day, avoid looking at screens and bright lights at least an hour before bed (that's a great time to read a book), keep your bedroom cool, dark and quiet, avoid sleeping with a pet, have a bedtime routine, don't use your bed for anything except sleeping (and cuddling with your partner), expose yourself to sunlight first thing in the morning, and get plenty of exercise each day. If your partner snores or makes a lot of noise, consider getting a "sleep divorce" and sleep in separate bedrooms. Flip/rotate your mattress quarterly, and ensure you have [a good pillow](#) that is designed for your sleep position.

Another crucial aspect of a healthy lifestyle is replacing artificial/simulated/digital human interactions with real, face-to-face interactions in "meatspace." Never before have so many Americans been so anxious or depressed. Over the years, I've read about many studies that concluded that the more time you spend on "social" media, the more depressed you'll be. Facebook was started by someone who had trouble interacting with real people in meatspace. Although it's convenient and allows you to keep up with hundreds of your "friends" (even though the human brain can't maintain a meaningful relationship with more than about 150 people—the size of an ancient tribe), it is only a weak simulacrum of human interaction and thus not a substitute for it.

One reason so many people on social media are so depressed is because they end up comparing their life with the ideal, curated, Photoshopped lives of their "friends." They know all about the problems, struggles and unattractive aspects of their own lives, but only see the staged, filtered, glitzed up and glamorous parts of other people's lives, and then wonder why their life sucks.

Social media is also the crack cocaine of narcissists. The word *narcissist* comes from the character Narcissus in Greek mythology, who fell in love with his own reflection in a pool of water. Just imagine what would have happened if he had had social media instead! By the way, I just came across this quote from [The Narcissism Epidemic: Living in the Age of Entitlement](#) by Jean Twenge and Keith Campbell:

Understanding the narcissism epidemic is important because its long-term consequences are destructive to society. American culture's focus on self-admiration has caused a flight from reality to the land of grandiose fantasy. We have phony rich people (with interest-only mortgages and piles of debt), phony beauty (with plastic surgery and cosmetic procedures), phony athletes (with performance-enhancing drugs), phony celebrities (via reality TV and YouTube), phony genius students (with grade inflation), a phony national economy (with \$11 trillion [now > \$28 trillion] of government debt), phony feelings of being special among children (with parenting and education focused on self-esteem), and phony friends (with the social networking explosion). All this fantasy might feel good, but unfortunately, reality always wins. The mortgage meltdown and the resulting financial crisis are just one demonstration of how inflated desires eventually crash to earth.

Humans communicate primarily via body language and facial expressions (which is the only thing they knew for millennia), not by status updates and “likes,” where you can't even see the other person. Humans are social animals (not social media animals) and crave the human touch. Our street has a weekly driveway party where people bring chairs and wine and gather and talk (no one wears a mask). Even if the conversation is just average, it's a soul-filling experience that leaves me feeling invigorated. After a year of quasi-solitary confinement and a dearth of human contact, Americans are depressed and killing themselves in worrying numbers.

Most of your face time should be with your immediate family. Michael Hyatt says “What gets scheduled gets done,” so you should either have a set schedule for events (such as Date Night/Cuddle Time) or make them a habit. Many afternoons after work, we go hiking on a network of trails that are within walking distance of our house. Most of them are next to a creek (with waterfalls and pools, bridges and benches), and have to be some of the most beautiful and soul-filling trails in at least our state. After dinner, we try to read a meditation from [The Daily Stoic](#) book. And every day, I try to do something we call “LL with G&D” (Life Lessons With Daddy and [the name of our dog]), where I read a chapter of a book to our son that will help prepare him for adulthood. In the Summers when there's no homework, I try to take him on a “Special Adventure With Daddy” every weekend. Take the time and effort to savor the present moment and make beautiful memories with your family.

Just as you need to embrace those people who enrich your life, you need to shun those who have a toxic personality, bring you down, or treat you unkindly. You should apply the principle of Essentialism (from a book by the same name: “If something isn't a hell yeah, then it's a no.”) to your relationships. Life is too short to spend it dealing with a-holes and energy vampires.

Cultivate a handful of deep friendships. Apparently, for a variety of reasons, friendship has been on the decline in recent decades, and I want to try to understand this. The book [Bowling Alone: The Collapse and Revival of American Community](#) (the revised and updated edition came out last Fall) is on my To Read list. (A related book that I have read is [Alienated America: Why Some Places Thrive While Others Collapse](#) by Timothy Carney.) This is challenging for men (who tend to be more aloof than women and therefore usually have far fewer friends), and their handful of friends tends to dwindle as they get older. Maintaining friendships has been especially difficult during a pandemic and an extremely polarized political environment where so many people are easily outraged, have drunk the Kool-Aid, or would rather censor and cancel people than have a dialogue.

That brings me to another point. While you need to have a general idea of what's going on in the world, if you have a channel such as CNN or Fox News running on your TV all the time, you're probably going to be very anxious, with your brain in Fight or Flight mode (which shuts down your prefrontal cortex and thus your critical thinking). Most things in life are outside of your control or sphere of influence, so for your own mental health, you should focus on those things that you can control. As a pastor friend of mine told me, the human brain wasn't meant to know about every bad event in the world (for millennia, that's the way it was, so today our brains must be overwhelmed by a flood of bad news). If

you want to fight terrorism, turn off your television.

Not only will less TV time give you more time with your family, it will give you more quiet time for reading (which I'll cover in a future issue), solitude, reflection and perhaps some meditation. Today our lives are awash in a constant deluge of noise and information, which again are alien to our ancient brains. Instead of responding immediately to every text, Tweet, email and push notification, we need solitude and quiet time to give our prefrontal cortex and subconscious (which work slower than the more primitive part of our brain) to process information, make connections and good decisions, and come up with new ideas. As Blaise Pascal wrote (in the mid-17th Century), "All of humanity's problems stem from man's inability to sit quietly in a room alone." The zen/minimalist books by Leo Babauta are a good primer on how to create and use this quiet time.

Nature is another place where you can find not only quiet for thinking and reflection, but also beauty, which has a huge effect on your mood and mental health. Even just a photo of a beautiful landscape on your computer can achieve some of the same effect. So when you walk, try to take a route that will allow you to see the most beauty. You also want a route that will minimize your decisions about which way to go and that will maximize your safety so you don't have to worry about it. I believe it was Charles Darwin who walked in a loop through his garden.

During the cold months, we walk on a wooded trail behind our house that mostly runs next to a beautiful creek (while standing on a footbridge over this creek recently, I came to the conclusion that running water is a miracle), which allows me to do what I call "walking meditation." The book Daily Rituals: How Artists Work profiles the schedule, rituals and habits of dozens of well known creative people, and most of them isolated themselves (often in beautiful nature) for deep work during the mornings and then took long walks in the afternoon, which allowed their subconscious to come up with new ideas. Nassim Taleb recommends walking slowly (and lifting heavy weights). Thoreau was well known for his very long walks, and described himself as a "saunterer."

When I'm in nature, I often feel grateful to be alive and see such beauty. Deliberately *practicing* gratitude is a game-changer. Every morning when I plan my day, I write in my planner something that I'm currently grateful for. Another way to do this is after dinner, go around the table and have each member of your family say what they're grateful for. It is humbling, makes you more contented and changes your whole outlook. You can't be angry/upset and grateful at the same time.

If you don't have one, consider getting a dog. Man's Best Friend (who has definitely stood the test of time in that role) provides companionship, stress relief, laughter, unconditional love, security, and opportunities for exercise and socialization. There are several breeds that don't shed, stink, destroy or bark a lot. We have a Havana Silk Dog (which is a pre-1961 Havanese), and I highly recommend that breed.

Remove unnecessary/harmful stress from your life. A major source of stress is commuting, which costs a lot of money, time and energy. In 1996, I decided that I was going to get out of the rat race (which included a one hour commute each way). I became

self-employed and have worked in a home office ever since. It was one of the best decisions I've ever made.

Finally, if you have some grass in your yard, spend some time walking or standing around on it barefoot, which is called grounding. Start a garden and dig in the dirt, under the sun. It's surprisingly calming and soul-filling.

What You Should Be Doing Now

I plan to cover the why and how of these in future issues (if I haven't already), but here are some actions I recommend you take (or at least start thinking about) now:

1. The price of gold dropped to a near one-year low on Tuesday night, and silver dropped to the lowest price since late November. Those were good prices at which to accumulate, especially if you don't have any physical metal.
2. If, after a careful review of your security plan, you have determined that you need to obtain one or more firearms as part of that, you should do so ASAP, as the time to do so legally is quickly running out. I'll have much more to say about this in a future issue, but it's not enough to just buy a gun and some ammo, you also need training from a professional instructor until you are safe, confident and proficient. Firearms are the great equalizer that allow a David to stop a Goliath. There's a Western adage that says, "God created man and Sam Colt made them equal." Just remember, when every second counts (e.g., a home invasion), the police are only minutes away (if we're even still in a Rule of Law situation).
3. Books to read: The New Great Depression: Winners and Losers in a Post-Pandemic World by James Rickards. I always enjoy reading Rickards' books, as they are insightful and thoughtfully written. The most interesting idea in this book is that there is a way out of our current monetary mess, and it has been used twice before (by FDR and Nixon): devalue the dollar vs. gold, which would instantly cause the price of gold to skyrocket.

After America: Get Ready for Armageddon by Mark Steyn. Although Steyn is a conservative, this isn't really a political book. It's about the stunningly quick (and largely self-inflicted) collapse of our society and culture. I learned a lot about how mass immigration is fundamentally transforming Europe and parts of the U.S. Steyn's wit and puns are the product of an effervescent mind, and his brilliant and hilarious writing style makes him the H.L. Mencken of today. This book makes you realize that there are a number of ominous and irreversible demographic and cultural trends working against the West, and there is no place to hide. Five stars.

Effortless Healing: 9 Simple Ways to Sidestep Illness, Shed Excess Weight and Help Your Body Fix Itself by Dr. Joseph Mercola. The best book I've read on comprehensive wellness.

The Blue Zones: Lessons For Living Longer From the People Who've Lived the

Longest by Dan Buettner

Awakening Your Ikigai: How the Japanese Wake Up to Joy and Purpose Every Day by Ken Mogi

Thanks! How the New Science of Gratitude Can Make You Happier by Robert Emmons

Your Questions Answered

Question (paraphrased): Why haven't the two \$1.9 trillion bills passed in the last 4-5 months not caused high inflation? Especially given Biden's announced intention to spend [\$2.25 trillion] for "infrastructure" in the coming months. Is it simply a matter of this money not yet making it into the money supply?

Answer: To get hyperinflation, you need both (1) an increase in the money supply (from currency printing and/or banks making new loans) and (2) an increase in the velocity of money. Velocity is a measure of how quickly money moves through the economy (i.e., how quickly it changes hands). In a non-hyperinflationary environment, velocity can be seen as a measure of consumer confidence, because people are willing and able to spend money. As you can see from [this chart](#), velocity peaked in 1997 and has been declining ever since. Once the pandemic hit, velocity collapsed.

There are a number of reasons why people aren't spending money. First, many people don't have a job (and let us not forget that about half of Americans have no savings at all). Early in the pandemic, the real unemployment rate spiked to [35%](#); it has since come down, but is still over 25%.

Second, Americans have never been more heavily indebted. So not only are they tapped out, they don't want to or can't borrow any more despite record low interest rates (thus demand for bank loans is low, resulting in less money creation).

Further, if people see tough economic times, higher taxes (a result of higher government spending), higher interest rates (a result of higher government borrowing) and deflation (from an economic collapse) ahead, they tend to hoard cash instead of spend it.

Additionally, the only new money that reaches the proles in Flyover Country is that from stimmie checks, and that's not enough to move the needle. Most of the new money that the Fed uses to buy bonds gets trapped in the financial system, used for speculation (so most of the inflation occurs only in securities prices, the vast majority of which is owed by the 1% elite, though I'm sure that's just a coincidence). The federal government gets first use of much of the new money that's created, but it can take months for money from federal contracts to begin to trickle down.

Jim Rickards says the Fed desperately wants to create inflation (and probably much more than its stated goal of 2%), but it doesn't know how. This attempt has been described as "pushing on a string." Now they're trying dropping money from helicopters (currently via stimmie checks, soon to become Universal Basic Income).

However, once people realize that the federal government and the Fed are abusing their “exorbitant privilege” by printing trillions of dollars, they (including foreign owners of U.S. Treasury bonds and foreigners using U.S. dollars in international trade) will start to try to get rid of dollars quickly since they are no longer a store of value, which will cause velocity to rise.

Preparedness News

[Global Shipping-Container Crunch Threatens \(Mountain\) Money Supply](#) Last week I mentioned how supply lines could be cut. Weird things happen.

[\\$100 Billion Hedge Fund Implodes](#) The farmer showed up [with his axe](#).

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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. If you would like to subscribe (it's free!) or unsubscribe, [email me](#) with either “subscribe” or “unsubscribe” in the subject line.

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