



# 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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## Why You Should Prep

*Life is all about risk management. ~ Bob Moody (my father)*

How often do you find yourself in a situation where something unexpected has occurred, or where you need something but don't have it? How does that make you feel? It makes me feel anxious, vulnerable, and *unprepared*, like I'm behind the eight ball. I much prefer to be prepared for almost anything that could happen, as I can then just roll with the punches without missing a step.

Although it appears that man has tamed both nature and human nature, that is a very tentative and precarious condition. Thanks to the miracle of modernity, we enjoy incredible technology and conveniences, and almost everything seems to be very orderly and predictable, but that world is very fragile. Civilization is an illusion, because its thin veneer could be stripped away at any moment, immediately plunging us back into the "solitary, poor, nasty, brutish and short" living conditions that prevailed for at least the last 100,000 years. As our society becomes increasingly complex, the risk of collapse increases exponentially, especially as debt and population increase and the supply of energy declines.

So there are a lot of bad things—including some that are very, very bad--that could suddenly occur, including many that we can't even imagine (Black Swans). I'm a husband and a father, and my primary responsibility is to provide for and protect my family. I take that responsibility extremely seriously. For example, if a home invader threatened my family, there is no doubt that I would have the will, the means and the training to “neutralize the threat,” as it's called.

So I'm a “prepper,” and have been one for years. I was once asked, “What are you preparing for?” While I have a good idea of the most likely and most dangerous events that could occur, and I keep those in mind, I'm not preparing for any one particular event, because there are many different Black Swans that could occur that I haven't even thought of, so I prefer to have general resilience.

In addition to resilience, prepping gives you *options*. It buys you time. It gives you an escape route and allows you to live to fight another day. It gives you *peace of mind* so you can sleep at night.

It also gives you the ability to help others in need, which is actually a strong human impulse. For example, this week I saw an old guy fall on the pickleball courts. I noticed he had a large strawberry on his elbow, so I gave him a big bandaid that I had in the medical bag of my everyday carry (EDC) bag. Stuff like that has happened several times on pickleball courts alone. (A player once asked if I had something for an insect bite/sting, and of course I did, because I'm squared away.) I've been able to give a jump to several motorists (including myself) who had a dead car battery. A nearby neighbor has solar panels on her roof, and when the power went out for days after hurricane Zeta, she offered to let people charge their devices. I've heard people talk about rolling up on a car accident and rendering assistance before first responders arrived. You could save someone's life just because you were prepared! How powerful is that? How confident would you feel knowing that you had the power to save a life (including the life of a loved one)? And people remember when you help them during a time of need. As the saying goes, “Money won't buy friendship, but a good set of jumper cables will.”

As a result of the millennia that humans spent living in small tribes, we are wired to want to help others. Here's a quote from the book [Tribe: On Homecoming and Belonging](#), which I just started reading: “Humans don't mind hardship, in fact they thrive on it; what they mind is not feeling necessary. Modern society has perfected the art of making people not feel necessary.” Recall the related concept of *ikigai* from a recent issue. Another quote:

When a person does something for another person—a prosocial act, as it's called—they are rewarded not only by group approval but also by an increase of dopamine and other pleasurable hormones in their blood. Group cooperation triggers higher levels of oxytocin, for example, which promotes everything from breast-feeding in women to higher levels of trust and group bonding in men. Both reactions impart a powerful sensation of well-being. Oxytocin creates a feedback loop of good-feeling and group loyalty that ultimately leads members to “self-sacrifice to promote group welfare” . . . .

Hominids that cooperated with one another—and punished those who didn't—must have outfought, outhunted, and outbred everyone else. These are the hominids that modern humans are descended from.

One of the daily habits that I track in my planner is “Did I do a random act of kindness for someone today?” I now realize that that's just my natural human instinct to help other people. Being prepared allows me to do that. Some people may view preppers as selfish hoarders, but whenever I acquire a new piece of gear or a new skill, a significant part of my motivation is the thought that I might be able to help someone in need.

My interest in being prepared probably began during the six years I spent in the Army and ROTC (the motto of my battalion was “battle ready!”). The optimal condition (and highest complement you could give someone) was being “squared away,” while the worst condition (and one of the greatest insults) was being “ate up.” I don't mean to insult anyone here, but I value candor and am just trying to help you. The vast majority of civilians are ate up, and they don't even know it.

When COVID-19 started breaking out in the U.S. (remember, based on the videos that were leaking out from China, it appeared to be much worse than it actually was) and it was unclear whether the U.S. food supply would be disrupted, my wife started to kind of panic wondering how we were going to feed ourselves until she saw my supply of several months' worth of dehydrated food. “That's when I felt loved,” she said. And that's why I'm a prepper.

For years, the urban/coastal cultural elite made fun of preppers for preparing for various “unlikely” events. I think National Geographic's TV series *Doomsday Preppers* was designed to do just that, and a number of the earlier episodes profiled ill-informed or idiotic “preppers,” including one whose plan was to steal what he needed from other people. At the end of every episode, just to emphasize how foolish these preppers were, they would always have a disclaimer that said something like, “Although the risk of [event] remains a possibility, the government is looking into it, and experts believe the odds are remote.” My family would always laugh at that. *These aren't the droids you're looking for.*

But then they started profiling some thoughtful, wise, competent (and ultimately, prescient) preppers, and more of the audience watched to learn instead of ridicule. The year 2020—which included a pandemic, unprecedented layoffs and business failures, a stock market crash and massive, violent riots that went on for months--forever validated the prudence of prepping. Nobody makes fun of preppers now, especially after so many people spent time standing in a line to buy toilet paper or a gun.

There's a misconception that prepping involves just buying a bunch of gear, weapons and food. While it's critical to have those things, it's just as important to be mentally/psychologically prepared and physically prepared (health and fitness), to have skills (including training and practice) and knowledge, to live in a low risk area, and to have a local network. Most preppers overemphasize the sexy stuff (such as guns and bugging out) and underemphasize more important things (such as water and medical supplies).

Prepping is also a *mindset*, a way of thinking, a worldview. It is very familiar with human history, human nature and potential threats and risks, so it doesn't take anything for granted or assume that tomorrow will be just like today. Preppers have *situational awareness* (so they aren't walking around glued to their cell phone). They think about what could go wrong, and what the worst case scenario might be. They notice things that everyone else is oblivious to.

Let me give you some (extreme) examples. I know a cop who, when he checks into a hotel, he examines the fire escape plan, locates the stairs, and counts the number of doors to them in case he has to find them in the dark and smoke. I know another guy who, when he encounters a stranger in public, he immediately looks at their hands and waist to see if they might be carrying a weapon (gun owners who carry concealed try to avoid “printing,” which is where a knowledgeable observer can detect the outline of their pistol even though it's concealed by clothing). I once heard about a website for the last county I lived in that had the floor plans of all of the local restaurants so locals could discuss which were the best seats to have so they could observe everyone and quickly escape if necessary. I know a woman who doesn't fly anymore because she refuses to travel without her pistol and rifle, and checking them in as baggage has become a real pain.

These people aren't paranoid, they're aware and prepared. If something suddenly and unexpectedly goes sideways, they will step up and do what is necessary to protect innocent life (“let's roll”). That is their imperative as fathers, mothers and responsible members of their community. And they will survive and pass on their genes.

The next paragraph is very dark and discusses a subject that is seldom mentioned in polite society, so if you don't like to think about very bad things that could happen, please skip it. However, you still need to be familiar with Option B, which I discuss in the second paragraph below.

What do I mean by being mentally and psychologically prepared? First, you need to realize and acknowledge that tomorrow could be very different from today, perhaps permanently. There are a number of events that could cause civilization/society and the rule of law to collapse, either suddenly or gradually. You need to spend some time envisioning what could or would happen and how you would react. Read the series starting with the book One Second After by William Forstchen and the book The Dark Secrets of SHTF Survival: The Brutal Truth About Violence, Death & Mayhem You Must Know to Survive by Selco Begovic, who lived through the civil war in Bosnia. Think about how radically your life would change. Think about what would happen in a Without Rule of Law (WROL) situation where there was no law enforcement, utilities or food supply, where prisoners had either escaped or been released, where millions of people were suddenly off their meds, and everyone was thirsty, hungry, dirty, exhausted, scared and desperate. Think about what you would be willing to do to stop predators from killing you, raping your wife and children and taking all of your food and supplies.

Of course, if you ever find yourself in a zombie apocalypse, you don't necessarily have to struggle through it until you die. There's always Option B, which involves you shedding your mortal coil voluntarily and prematurely. This is portrayed in the TV series *The*

*Walking Dead*, the movie *The Road* and the books [One Second After](#) and [Frontier Justice](#) (book 1 in The Survivalist series by Arthur Bradley). There are two potential problems with this plan. First, your family needs to be on board with it as well, otherwise you would just be abandoning them to their fate in a very bad situation. And second, you need the means to do the deed, which probably means a gun. So everyone needs a gun, whether you plan to fight or not.

Being prepared also includes being physically prepared, because a crisis event (which could last from less than a minute to the rest of your life) could require speed, strength, cardiovascular endurance, dexterity, flexibility, resilience and a good immune system, not being dependent on a bunch of drugs, etc. Generally, a crisis event that lasts for more than an hour is probably going to be very physically demanding. If you've ever been in the Army or Marines or played football in high school, you have a reference point for how hard things can get.

Skills and knowledge is another very neglected area of prepping. A crisis event is not the time to learn how to do something. When you need to administer CPR or apply a tourniquet, you need to know how to do those things *now*, as there is no time to consult a manual. If the SHTF and you don't know how to make water safe to drink or how to dispose of your waste, you're going to be sucking wind, and your own ignorance may well contribute to your demise.

It's impossible to prepare for everything—especially those Black Swans that you can't even imagine. So how do you know which events to prepare for? I would prepare for the most likely events in your area, and the events that would be the most devastating (e.g., if the electric grid went down for a year or more, an estimated 90% of Americans would die; don't miss the last paragraph in [this article](#)).

On a sheet of paper, draw an X axis representing probability and a Y axis representing severity. Now start plotting all of the bad events that could occur that you can think of. (Remember, there are lots of Black Swans lurking out there that you are unaware of but are still on your graph somewhere.) You should prepare for the risks that are at the top right of the graph.

Start with the ones from personal financial planning that you're familiar with: superannuation (i.e., running out of money before you die), premature death or long-term disability of a breadwinner or key family member, large health care or long-term care expense, severe damage to your house and household goods or cars, accidentally injuring or killing one or more people, and being sued.

Now plot personal risks: accidents, death of a loved one, divorce, health problems (including cancer and degenerative diseases), mental illness (including anxiety and depression), scammers, computer hackers, identity theft, other crime, etc.

Now plot natural disasters: hurricane, tornado, lightning, hail, flood, fire, snow or ice storm, hard freeze, earthquake, volcano, solar flare, tsunami, drought, dust storm, meteor strike, pandemic.

Now plot the macro political and economic risks: a tyrannical government, disinformation and censorship, high taxes and/or regulation, nationalization or confiscation of assets, war (kinetic, nuclear, total or one involving cyber attacks or biological weapons), terrorism, economic depression, stock and/or bond market collapse, high unemployment, high inflation (or hyperinflation), currency collapse, collapse of trade, supply chain disruption, nuclear/environmental/industrial accidents, sabotage, civil unrest and riots, looting and arson, civil war, cultural revolution, genocide.

Finally, “societal collapse” should be on your graph. The markers for it include: decline of the work ethic and the rise of “disability,” dependence on government entitlements, loss of trust, children growing up without fathers, illiteracy and the collapse of real education and critical thinking, social isolation (including the decline of friendships and social institutions), narcissism, racial strife, growing inequality, despair, addiction to “social” media, drugs, pornography and gambling, and preoccupation with trivial and meaningless entertainment and spectator sports (“the Feelies” of Huxley’s Brave New World).

“What are you preparing for?” indeed.

## 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. Determine the most likely and most dangerous risks you face and start preparing for those.
2. Start preparing yourself mentally/psychologically and physically.
3. Identify and learn the skills and knowledge you would need to have to help get you through the events you’re preparing for. Get training and practice.
4. Books to read: See above.

## Preparedness News

[Fed Stops Reporting Weekly Money Supply Data](#) The Fed stopped reporting M3 (the broadest measure of money supply) in 2006. Even though the dollar isn’t backed by anything, it can still function as a medium of exchange if people believe that it’s a decent store of value. But now the Fed doesn’t want people to know how many dollars are on the market, because if they could see how that number is now growing by the week, they would start to lose faith in it, and the game would be over. The end is nigh.

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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.

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