



# 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 We'll Collapse

Perhaps the most basic, persistent, long-term force in the universe is entropy, which the dictionary defines as "the degradation of the matter and energy in the universe to an ultimate state of inert uniformity; the process of degradation or running down or a trend to disorder." Man's long-term struggle against entropy has resulted--at least temporarily--in civilization (which is a complex system). But complex systems are prone to collapse (and eventually, all of them do). As the complexity (e.g., the number of actors and their relationships with each other) of a system increases, the risk of collapse increases exponentially. So trying to create and maintain civilization is like pushing a boulder uphill—you can do it for a while, but eventually, you'll fail.

Most preppers are aware of the fragility of at least some aspects of our system, so they may prepare for those specifically. Examples include a natural disaster (Winter storm, tornado, hurricane, fire, earthquake/tsunami, volcanic eruption, drought, solar flare), loss of power (due to severe weather or natural disasters, excess demand, an electromagnetic pulse from a solar flare or nuclear warhead, a computer virus, [squirrels](#), mechanical problems, sabotage, lack of inputs such as coal, labor, maintenance or money), a pandemic, riots/looting/civil unrest, war (civil, conventional, nuclear, biological, chemical, cyber, etc.), disruption of communications/Internet, transportation or the supply chain, financial collapse (stock market crash, widespread defaults, bankrupt

pension plans and insurance companies, currency collapse), crop failure/famine, genocide, natural resource depletion (especially of fossil fuels), environmental disaster, etc.

While you should certainly plan for the risks that you think are the most likely and those that would be the most harmful to you, I think it's best to just be prepared in general for a broad range of perils, because you don't know what's going to happen or when. You don't know what the Black Swan will be, but whatever it is, you want to be well prepared.

In this issue, I want to discuss why (or at least one of the primary reasons) I think our civilization will collapse. It may not be something you've thought of, but you've probably noticed the phenomenon.

We're not going to collapse because of ~~global warming~~ climate change, COVID-19, or any of the other “endless series of hobgoblins, all of them imaginary,” as H.L. Mencken wrote. No, it's much simpler than that. We're going to collapse because we can no longer get the little things right. Basically, today, everything is broken, doesn't work or isn't maintained (so will break soon). Increasingly, I find myself frustrated because some days it seems like *nothing frickin' works anymore*.

Many if not most of the people who still work (and aren't on the federal disability program) are either lazy, incompetent or both. Many employees lack the basic knowledge they need to do their job. Sure, the Peter Principle (i.e., employees tend to rise to the level of their incompetence) has always been around, but now we have both an acute labor shortage and a higher education and human resources system that places and promotes students and employees based on considerations other than their knowledge, skills and competence.

Now it's common to see work that's full of errors (E.g., a book or newspaper column full of obvious spelling errors. Do they not have access to a spell checker? Does an editor or proofreader not read their work?) or that's done in a sloppy manner or late, if it's done at all (I've seen white collar professionals ask to be paid for work and a month later, they still haven't even started to work on it). I just saw some (partially) handwritten (!) correspondence from the Social Security Administration that looked so shockingly half-assed that I'm going to take it by the local office just to make sure it's not a scam.

Many business webpages and phone tree systems don't work at all. Today I called a business and my call was terminated twice just after I got a human being on the line. And remember the tech support guy I spoke with who had a bunch of chickens clucking in the background?

Could part of this be due to generational changes? Generation X—known for its general competence and ability to get things done—has started to retire, replaced by Millennials who received participation trophies as kids. Could part of it be due to the fact that many men (including some Gen-Xers) [are dropping out of society](#)? Maybe, I don't know.

At the same time that our systems are increasing in complexity, we Americans are rapidly devolving physically, mentally and emotionally. We are no longer capable of running the

machines we created.



*Will he be able to defend our civilization from the barbarians?*

I've read that the “barbarians” who sacked ancient Rome didn't have to fight their way in, they just walked into a city that had already collapsed. Perhaps the scavengers who plunder our civilization will just ride in on our [mobility scooters](#), at least those that still work.

“For the want of a nail the shoe was lost,  
For the want of a shoe the horse was lost,  
For the want of a horse the rider was lost,  
For the want of a rider the battle was lost,  
For the want of a battle the kingdom was lost,  
And all for the want of a horseshoe-nail.”

“For Want Of A Nail”  
(Origin: 13th Century Proverb)

## What You Should Be Doing Now

1. Interest rates are spiking, and corporate bonds are signaling a bear market in equities. This Ponzi scheme will end soon. Prepare for the [phase transition](#).



yield on the 5-year Treasury bond

## Question For You

If our civilization collapses, what do you think will cause it? [Let me know!](#)

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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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