



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

Issue #117
May 5, 2023

The Great Reset

After the COVID-19 plandemic began, I started hearing about something called the Great Reset (which is also known as the Fourth Industrial Revolution and Build Back Better, which was a slogan that Biden actually used in his presidential campaign). I wanted to know more, so I read the book The Great Reset: Joe Biden and the Rise of 21st Century Fascism (5 stars) by Glenn Beck, which was published in 2022. Beck writes that "it takes a lot of effort just to figure out what the Reset really is [since] there is no official...manual, framework, or agreement" about it, which he believes is intentional. Basically, it's about expanding the wealth and power of the ruling class.

Beck writes that the plandemic gave "state and federal government officials...more confidence than ever that they can enact radical, tyrannical, and even arbitrary mandates." It also showed "that many Americans will go along with whatever their master in government tell them, [and that] they will work with government to help silence anyone who stands up against these actions."

Beck notes that "it is virtually impossible to convince people that the global economy needs to be torn down and replaced with a new system when unemployment...is historically low, retirement account values are soaring, and the economy seems poised to continue growing for years to come...." After governments' pandemic response (and the

riots) destroyed the economy, there was “a favorable set of circumstances for elites to rebuild—or *reset*—in an entirely new way.” The most vociferous proponents of the Great Reset “made it abundantly clear that the...pandemic has created an incredibly important, perhaps once-in-a-lifetime 'opportunity'--a word they use over and over again—to change society and the world's economy.”

By the way, let me ask you a question: Which do you think is a better way to try and make changes to society? (1) lots of different small, localized experiments that are tried in the real world, where any necessary tweaks can be made, there's enough time for unintended consequences to reveal themselves, the size and cost of failures is minimized, and where successful changes can be gradually (and voluntarily) adopted by others once it's clear that they actually work and have stood the test of time, or (2) make completely radical, untested changes to energy, money, health, governance (political and corporate), property rights, privacy, liberty, incentives, etc. on a global scale all at once? Which method has a greater chance of resulting in sudden, catastrophic failure from which it may be impossible to recover?

Beck writes that the “climate hysteria has...been driven to new heights in recent years due to the...death spiral of common sense that works...like this: Elites and their well-funded allies in environmental groups and...academia make increasingly absurd predictions about climate collapse. The news media dutifully reports it as though God had handed the predictions down from heaven on stone tablets....In an attempt to scare...skeptical Americans into believing 'the science' on climate change, the doomsday predictions and rhetoric get more extreme....Because climate change has been portrayed as so imminent and potentially cataclysmic, alarmists say there is no time for debate. 'The science is settled,' they [declare]. Anyone who disagrees is labeled a 'climate denier'...and pushed out of the public square, which moves the entire...conversation further and further toward insanity. Eventually, the only people allowed to talk about climate change in major media platforms are elites (who stand to benefit financially and/or politically from the hysteria....”

Even if you agree with the goals of the Great Reset, you might think that all of those utopian-sounding plans sound like they would be impossibly expensive. Economist Thomas Sowell said that “The first lesson of economics is scarcity: There is never enough of anything to satisfy all those who want it. The first lesson of politics is to disregard the first lesson of economics.” Beck writes, “In the minds of AOC and a growing number of other politicians in Washington, D.C., humans have essentially reached a post-scarcity world. We can have anything we want and more if we just exert our political wills hard enough.”

Enter professor Stephanie Kelton (the senior economic adviser to Bernie Sanders' 2016 and 2020 presidential campaigns) and the primary proponent of Modern Monetary Theory. Beck writes, “According to MMT theorists, everyone should stop worrying so much about the national debt and deficits, because the U.S. government can print and spend as much money as it wants to...[so] it can never run out of money. It cannot face a solvency problem....It never has to worry about finding the money in order to be able to spend. It doesn't need to go and raise taxes or borrow money before it is able to

spend....The national debt is just a number....[So] MMT is the *perfect* tool for politicians who make grandiose promises without any plan to pay for them....”

Uh, can I ask a small question here? Humans have been living in poverty, filth, deprivation, disease and squalor for millennia. *Why are we just now finding out about this unlimited wealth machine?* And why aren't we using it to crank out an unlimited number of Benjamins to hand out to everyone? What's that? Because that would cause inflation? Not to worry! Kelton “says that inflation can be prevented under MMT by vesting government with enough authority that it could micromanage the economy and thus control inflation.” Awesome!

Proponents of the “Great Reset like the idea of MMT so much, they invited...Kelton to speak [about it] during a November 2020 World Economic Forum (WEF)...event promoting the movement.” Kelton told them “they need not worry about debt and deficits [because] MMT could be used to justify massive spending programs designed to transform society.” She said that governments “can provide the kind of large-scale...finance that can remain in place for the duration of the time that we are going to be making transformative investments in our economy moving forward.” WEF founder and chairman Klaus Schwab “wants national governments and central banks to spend massive amounts of money—money they do not have—to make his proposed changes. Schwab says...this will 'require stronger and more effective governments'.” Ah yes, *coercion*, the essential ingredient required in every human endeavor that produces something that is good, valuable and fair. Like Lenin said, you have to crack some eggs to make an omelette.

Beck writes that “Schwab and other Great Reset supporters want to transform the...global economy into one in which every company focuses more on advancing [the U.N.'s Sustainable Development Goals], or whatever else the ruling class deems important, than on profits....in a stakeholder capitalist system, companies should first serve the collective according to the demands of the ruling class in government, not their customers and owners.”

In contrast, “the 'profit-driven' model for business ensures that companies put the consumer first....individuals dictate the products and services that are produced, by voting with their dollars. Companies that want to survive listen to the demands of their customers and even try to anticipate them. But in a stakeholder system, individuals are replaced by an elite group...in the ruling class. *They* dictate which products and services are produced and who ought to be hired to provide them to customers—not you, the individual.”

Beck continues: “The WEF's ESG [environmental, social and governance] standards include 21 'core metrics' and 34 'expanded metrics.' Together they allow auditors to develop a comprehensive ESG score that can be used to determine whether a company is in line with the demands of the ruling class.” Although the term “value creation” is in the title of this document, all of these standards would destroy shareholder value since they would divert a company's money and management's time and energy away from profit-making activities. If these standards actually created value for shareholders, management (which is compensated by revenue and stock options) would have already implemented

them. So this is really the largest attempted robbery in human history.

You've probably heard of Blackrock, which is the largest asset manager in the world, with more than \$10 trillion of assets under management. Its chairman and CEO is Larry Fink, who is also on the board of the WEF and is one of the biggest cheerleaders of stakeholder capitalism. State Street, which has about \$3.5 trillion of assets under management, is also [totally on board with this](#), as is Vanguard, which has \$8.1 trillion under management. Together, these firms have enough proxy voting power to control the management and activities of publicly traded U.S. corporations. If you don't believe me, read [Fink's 2022 letter to CEOs](#). It's a dry read, but he makes it clear to management that if they want to keep their job, they'll have to do what Blackrock wants (which in this case is a complete violation of Blackrock's legal fiduciary duty to its customers).

Now, imagine it's 10 or 15 years from now, after these corporations have squandered trillions of dollars on the corporate equivalent of the Great Leap Forward, all so the elites and ruling class can loot even more, and their naive (yet supremely confident), economically retarded supporters can see if they can get central planning and socialism to finally work this time. What do you think is going to happen to the value of stocks once dividends are frozen (which I'm already seeing a lot of), cut or eliminated, and profits dry up to virtually nothing? Well, in graduate business school, I learned that the value of an asset is equal to the present value of its future cash flows, discounted at an appropriate interest rate. OK, so if future cash flows (to shareholders) are basically zero, what's zero discounted by say 10%? That's right, zero! So no more retirement plans (or retirement, for that matter), middle class, capital or capitalism, or good products and services that are actually *available* at reasonable prices. We'll be left merely following the bat sh*t-crazy dictates of unaccountable supranational institutions and elitist forums, such as [shutting down farms in pursuit of some nebulous environmental goal](#) that is supposedly urgently required to save the planet.

Trying to [warn](#) (also [here](#)) my clients, prospective clients and the general public about this likely train wreck in the U.S. stock market has been one of the primary objectives of this newsletter for the last two years. The ascent of the stakeholder capitalism movement has been so shockingly rapid and successful that the vast majority of investors have never even heard about it, much less the risk it poses to them. Once these hapless shareholders figure it out, they'll be left holding the bag, and their portfolio will be wiped out. This is the primary reason [I have been bearish on U.S. stocks](#) in recent years and have generally avoided them in my clients' portfolios.

But stakeholder capitalism isn't a threat to just the U.S. stock market. As Beck writes, "In March [2021], the Parliament of the EU passed a resolution that seeks to require nearly all of the EU's largest companies—and many smaller businesses, too—to adopt and prioritize ESG metrics....[and] require that EU companies only work with those who share the EU's ESG standards....If adopted, all EU Member States will be required to implement the Directive into their national laws. This will result in substantive due diligence requirements being imposed on companies, whether based in the EU or selling their products and services into the EU, across their entire value chain, with potential sanctions for non-compliance....[Therefore,] all U.S. businesses having any 'direct or indirect'

relationship with an EU business, 'upstream and downstream,' would be forced to operate under some or all of Europe's proposed ESG system.”

Beck writes that there's also another method for creating a stakeholder economic system: “Rather than use regulations to impose ESG standards on companies, some Great Resetters want to use massive government and central bank spending programs to push companies toward adopting ESG standards...[and] tie social justice strings to the money.... Government and central banks would become the biggest and most important 'consumers' in the marketplace....” This is already happening with corporations genuflecting to the Powers That Be to gain and maintain access to the huge markets of China, the EU and California, and to secure lucrative contracts with the federal government. The Biden administration has created a Made in America Office (or MAO—yeah, that's really weird) that Beck says “is designed to do exactly what Schwab said is a core component of the Great Reset: ensure that government funds are funneled into the businesses committed to making the social and political changes desired by elites.”

Beck reveals that this plot began about 20 years ago: “In 2005, the U.N. brought together a group of 20 influential investors from 12 countries, as well as 70 experts from the investment industry, to develop the Principles for Responsible Investment (PRI)....Today there are more than 3,000 [signatories], and together they control more than \$100 trillion in assets.” For most of you reading this, that includes *your* investments. PRI members “are convinced that governments and central banks will soon start shoveling even more cash into the coffers of all those businesses that agree to sign on to the Great Reset agenda.” PRI says that “It is inevitable that governments will be forced to act more decisively than they have so far” on the issue of climate change. It “forecasts a response by 2025 that will be forceful, abrupt, and disorderly.”

Wow, another Great Leap Forward. As Bill Bonner observed in his book [Hormegeddon](#), too much of a “good thing” leads to disaster. But for proponents of the Great Reset, there is no downside, because even if it blows up and results in the death of millions or even billions of people, that would be just fine for elites such as Bill Gates and the Planned Parenthood crowd, Ted Turner and the Georgia Guidestones gaggle, Davos Man and the WEF crew, and the CCP, because it would leave more [lebensraum](#) for them.

Beck warns that “it's important to remember the fluid nature of ESG standards....many of the [current] metrics in ESG systems revolve around environmental causes, but this does not mean that is where they end. ESG elites have begun to add metrics that punish businesses who work with some [gun] manufacturers.” You can imagine how this could rapidly get out of control. Never underestimate the insanity of True Believers with unlimited power.

Beck tells the story of a friend who “discovered that his account with Merrill Lynch [which was acquired in a shotgun wedding by Bank of America during the Great Financial Crisis]...had been given an ESG score...[that] had been formulated by examining the ESG scores of the various companies [he] had invested in....He never asked for his investments to be given an ESG score...but Merrill Lynch gave him an ESG score anyway...[and] also offered guidance on how [he] could improve his account's ESG score in the future.” In my

financial advisory business, I track about 1,900 dividend-paying stocks on a massive spreadsheet, and in recent years, I have been developing my own “ESG score” for each company, which I’m sure is very different from the ones used by the rest of the financial services industry. I plan to write about that in a future issue.

In July 2020, Biden said, “It’s way past time to put an end to the era of shareholder capitalism—the idea that the only responsibility a corporation has is to its shareholders. That’s...an absolute farce.” When the Biden Institute started in 2017, “Biden said he wanted to model some of the new organization’s activities after the WEF, and he even met with the WEF’s leader and the world’s biggest advocate of the Great Reset, Klaus Schwab, to help develop a plan for the future of the Institute.” [The institute has refused to disclose its donors](#), but its host (the University of Pennsylvania) [received \\$15.8 million in anonymous donations from China the first year](#). As Henry David Thoreau observed, “Some circumstantial evidence is very strong, as when you find a trout in the milk.”

One of Biden’s first executive orders called on the government to conserve 30% of all U.S. lands and waters by 2030, a program known as “30 by 30.” This would more than double the amount of federal lands in the U.S., making it “one of the largest government takeovers in U.S. history. Moving many forms of property ownership...away from private individuals and farmers and into the hands of government and large corporations [and the CCP] is viewed by many within the Great Reset movement as an imperative.” But it’s not enough to merely limit environmental harm, we must also “severely restrict and even reduce humans’ existing land use,” which is called “nature positive.” The Great Reset proposes targets of “zero loss of nature from 2020 onwards, nature positive by 2030, and full recovery by 2050.” What does “full recovery” mean? Back to the way things were before, say, 1492?

Reducing the amount of land available to the public also helps move the cattle back toward the big cities, where they can be much more easily surveilled and controlled. It acts like a sort of de facto Berlin Wall, preventing urban residents from fleeing the high crime, taxes and corruption of the big cities. Eventually the peasants may be corralled in ghettos, leaving huge pristine national parks to be enjoyed by the elite, unsullied by the hoi polloi.

Danish member of Parliament Ida Auken wrote an article for the WEF titled “Welcome to 2030. I Own Nothing, Have No Privacy, and Life Has Never Been Better.”:

I don’t own anything. I don’t own a car. I don’t own a house. I don’t own any appliances or any clothes.
It might seem odd to you, but it makes perfect sense for us in this city. Everything you considered a product, has now become a service [which can be withheld from you if your social credit score goes too low]. We have access to transportation, accommodation, food and all the things we need in our daily lives. One by one all these things became free [thanks to MMT?], so it ended up not making sense for us to own much. Once in a while I get annoyed about the fact that I have no real privacy. Nowhere I can go and not be registered. I know that, somewhere,

everything I do, think and dream of is recorded. I just hope that nobody will use it against me.

Don't worry, sister, you're good!

Beck writes that “many members of Congress and nonprofit advocacy groups have called for the federal government to take over individual credit scoring....Think of it as a government-provided personal ESG score....One of the most popular proposals involves creating a government-run credit agency—the Public Credit Registry—that would be responsible for issuing 'fair' credit scores to consumers.” A precursor to this is [Biden's new fee that would force mortgage applicants with good credit to subsidize those with bad credit.](#)

At its 2021 meeting, the G7 agreed to launch a global infrastructure development plan that Biden called Build Back Better World. The White House said that it would “coordinate in mobilizing private-sector capital [i.e., the money in your retirement plan] in...climate, health and health security, digital technology, and gender equity and equality—with catalytic investments...” that would be “values driven and carried out in a...sustainable manner—financially, environmentally, and socially.” This from the entity that [hasn't exactly managed its own financial affairs in a sustainable manner](#); that's what you call *chutzpah*! They will also be focused on battling climate change and “achieving the goals of the Paris Climate Agreement.” It will be interesting to see the returns from your stock portfolio as they come in over the next decade or so. But by then everything will be free and you won't need to own anything, anyway, and you'll be happy, right?

Finally, Beck says that the Great Reset is nothing new: “Although progressive elites' plan has gone through a variety of phases, it has remained mostly unchanged over the past 100 years. The faces and some methods have evolved...but the foundational goals and strategies are nearly identical to those established at the start of the Progressive Era. One of the clearest articulations for progressives' plan for a new society was revealed in the 1940s by Stuart Chase...[who was] a member of FDR's famous 'brain trust'.” Chase wrote a series of books called [When the War Ends](#) to advocate for a new society after WWII. He said there was no hope of returning to a system of free markets, which was already being displaced by a “managerial revolution” that he called “X.” Here are some of the characteristics of X:

- A strong, centralized government.
- An executive arm growing at the expense of the legislative and judicial arms....power is consolidated in a dictator, issuing decrees.
- Government control of banking, credit and security exchanges.
- Provision of food, housing and medical care by the government.
- The use of deficit spending to finance this.
- The abandonment of gold in favor of managed [fiat] currencies.
- Government control of natural resources, energy sources, transportation and agricultural production.
- The enlistment of young men and women in youth corps.
- Heavy taxation, especially on the estates and incomes of the rich.

- State control of communications and propaganda.

Sound familiar?

In conclusion, Beck writes: “Never before have so many Americans been as eager as they are today to give away their freedom to global elites. Never before have so many powerful U.S. business interests worked with such vigor to betray their country in pursuit of a lucrative new crony deal. Never before have American politicians and activist groups so openly demanded more power be given to the ruling class and been met by the media, Hollywood and academic institutions with joy and excitement.” Beck warns that “our country might never recover. The forces at work are so powerful, well funded, and devoted to their cause that reversing the Reset might be virtually impossible if it is fully brought into existence.”

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I would love to hear from you! If you have any comments, suggestions, insight/wisdom, or you'd like to share a great article, please leave a comment.

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