

2012 Financial Disaster



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The United States' Doomed Economy

At the turn of the millennia, the US economy was on top of the world. We had taken advantage of a number of changes both economically and politically all over the world. Between our powerful military, cutting edge technology, and the power of the United States Dollar we were dominating all other world national economies and knew it.

Along with all the inherent potential of our economy, the downfall of the USSR had given American businesses new markets that were practically untouched, and ready for Capitalist companies to fill the supply gap.

Add in the tech bubble that was running rampant on Wall Street (and about to burst), and you've got the leading currency on the planet.



The stock market has been through a roller coaster ride over the past few years. Experts have no idea if it will ever return to normal.

Now factor in the internet. People were buying online. Literally willing to whip out their credit cards and pay for something they'd never even seen in person, and the online businesses were making a killing. International commerce was becoming more and more real every day.

Every major leader started talking about our entrance into a "New World Order" where the current superpowers would be practically world rulers because of their great wealth. And American wealth was on top.

However, one day changed everything. 9/11/2001.

George W. Bush became President in 2001. Gold was constant at about 300 dollar per ounce. Oil was at a now unbelievable \$23 per barrel. Almost as unbelievably, the dollar was worth more than the euro.

Fast forward. Two wars later, we're so far in debt that our economy has practically flipped upside down.

The war in Afghanistan was questionable, but Iraq was practically waged totally to protect our economic interests. Like it or not, America is currently dependent on oil. In a calculated effort to stabilize oil prices, which would help our economy the government invaded Iraq.

Another thing that many people don't consider is the number of jobs that a war creates. But, all these jobs come without health insurance. Unfortunately most Americans are now working jobs like this.

Our IT sector, and technology jobs have been declining, which has seriously hurt many people in the educated middle class, which pays a high percentage of taxes. Think about the deficit along with that, and you've got an economy with seriously reduced buying-power.



The war in Afghanistan alone costs the US about \$3.6 billion per month. Could that money be used elsewhere?

Hyperinflation

The field of economics coined a term known as “hyperinflation”. The definition used by the media is normally somewhere between when the cumulative inflation rate over three years approaches 100% all the way to when inflation is exceeding 50% per month.

What that means is that your money is worth half of what it was worth the month before every month.

The textbook definition is “an inflationary cycle without any tendency toward equilibrium” (Wikipedia). It’s like a terrible fly-wheel where the inflation increases with every turn of the wheel. It makes the inflation go faster, and faster and faster until currency is worth practically nothing.

Many times hyperinflation comes about after a war. Think of Germany post WWI when a loaf of bread cost millions of marks. Not too good for the people or anything else.

The real problem lies with the fact that paper has no intrinsic value (unless you’re writing on it or burning it).

Often the hyperinflation crisis occurs when the government tries to react to an economic downturn by printing large amounts of money, or adding another zero to the plates and running already printed money. This does nothing except make the currency currently in circulation completely worthless.

When hyperinflation rolls around, it totally decimates any savings in banks, mortgages or even under your pillow. The currency you have becomes worth nothing. Nada. Zero. Zilch.

Not a fun thought is it?



The Ecuadoran Sucre lost 75% of value in one month when the country began heavily using the dollar.

New Currency

There are going to be a variety of new currencies when the dollar and our whole economic system collapses.

But, not only is the paper currency system going to collapse, but all of the precious metals trade is going to bottom out as well.

Think about it.

How much is a bar of gold worth if all you need is food and shelter? Can you eat it? Can you drink it? Will it get a roof over your head?

No.

And people are going to figure that out extremely quickly and naturally.

Here are a few things that are going to be worth far more than their weight in gold, silver or any other precious metal you can think of:

- Materials
 - Grain
 - Batteries
 - Ammunition
 - Weapons
 - Tools
 - Beans
 - Rice
 - Clean Water
 - Extra Shelter
 - Construction Materials
 - Livestock
 - Seeds
 - Farming equipment
 - Fuel
 - Dried Wood



Corn is going to be one of the hottest commodities. It has a long shelf life and many uses.

- Solar Panels
- Toiletries
- Tables
- Dishes and Cutlery
- Can openers (hot item!)
- Garbage bags
- Water containers
- Sharpening/Honing Kits
- Knives
- Flashlights
- Lamps
- Oil
- Axes
- Saws
- Matches
- String
- Rope (especially 550 cord)
- Fabric
- Gauze
- Long-term batteries
- Power inverters
- Skills
 - First Aid/Medical
 - Sewing
 - Fishing
 - Building
 - Mill
 - Water Purification
 - Farming
 - Candle Making

Essentially any functional survival method, skill or tool is going to sell for a premium. And by premium I mean labor, fair trade (food or something else you need) or anything else a person perceives value for.

As time progresses, cars and electronic devices are going to become just as worthless and obsolete as gold, silver, and paper money. Get as much use out of them as you can and then move towards something sustainable (livestock would be good to trade for).

What To Do Now

You need a real alternative to saving money that is going to be worthless or buying metals and stones that will be just as worthless. You see the reason gold and silver have always been worth something is because the financial crises that occurred before just had to do with the value of money, not the need to survive.

People before decided that gold had value simply because all their other needs had been met. As you get hungry a gold watch seems less and less valuable though.

Your real currency is going to be items like I talked about above. Here's how to get with the program and set yourself up to be truly one of the new rich, and few people living a comfortable lifestyle.



What is going to happen when gold is worthless? Are you still going to have food to eat?

Buy Smart

Shelter, food and transportation are all very real and very expensive items that you're having to deal with right now. How in the world are you going to stock up a year's worth of supplies for your family while still eating?

The way to do it is to buy a little bit over time. That way you have small expenditures, but are building up a large stockpile.

Wholesalers

The best way to do this is to buy from a wholesaler or warehouse club. You've got to watch for sales in the local fliers, and when they come around jump on them!

Just be careful when you're going buy crazy to be sure you don't buy so much that it spoils.

Here are some of the basic staples I'd purchase first:

- 25 to 50 lb bags of rice. It's not the most exciting staple, but as many people in third world countries know is crucial to survival. There are no food allergies with it, and rice is a terrific place to get most of the nutrients you need. And face it, you're not going to be able to grow rice where you're at, so stock up and preserve it.
- 25 lb bags of flour. You'll be grabbing some grain too, but ready-made flour is perfect for you to use while you're still rotating food in and out. Baking is a great thing to have in an emergency, and as the stuff hits the fan you're not going to feel much like running the grinder.
- 5 lb bags of pre-made pancake mix. Also a great addition, as long as you're sure to get the kind that is complete (not the one where you've got to add eggs). Muffins, cornbread and other mixes are out there, but they can be much tougher to cook over a fire than pancakes.
- Instant Mashed Potatoes in a number 10 can. Sure, they're not super tasty, but they store for quite a while. 50 lb bags of potatoes are out there, but there's no way you'll get it to last long enough to really be feasible as a survival item.
- 5 lb bags of pasta. Elbow Macaroni and spiral noodles are two of my favorite. Pasta stores well and is pretty easy to get started.
- Number 10 cans of peanut butter. Another staple that almost never goes bad. Perfect if your kids like sandwiched and an amazing high-energy snack.
- Dried canned vegetables and beans in #10 cans. It's not going to be fun eating nothing but vegetables from big cans, but it'll be a heck of a lot better than going hungry. The freeze dried kind keep the longest.



Rice is an amazing staple to add to your diet. It has many important nutrients.

- Chili in the trusty ole' #10 cans. Much more tasty than straight veggies and keeps for about a year. You'll have to rotate out after a year, but you can give it to a food bank or just eat it yourself.
- Any large cans of pasta products. Raviolis are going to be a total treat when you've been eating canned vegetables for eons. Grab some of the biggest cans you can find of these flavorful pasta items. Be sure to rotate these yearly as well.
- Six-packs of your favorite canned goods. It's much cheaper to grab the canned foods you really like from the local wholesaler when you see they're on sale than to buy them individually. Also, it's easier to transport.
- Plenty of 13 gallon trash bags. Whenever you see a box of these, grab another and add them to the stash. You'll never have too many, or run out of uses for them.
- Drink powders. Restoring electrolytes is a must, especially when you're sweating a lot. Plus you'll get sick and tired of water after a while. Grab some big tubs of Gatorade or any other sports drink mix and throw it in your storage area. It'll keep way past the expiration date.
- Camp silverware, cups, plates and cooking utensils. Grab these up slowly but surely. Try to do these at the beginning of your stockpiling ventures, since they will go extremely quickly whenever a disaster hits.

Remember canned foods are a good, cheap starting point, but your long-term shelter needs to have a gradual amount of survival food being built up.

If you do this bit by bit, you'll find that you can really afford to get yourself prepared for whatever might be on its way.

Start by cutting out little things, like going to the movies or the cable and use that money for survival stuff. As the date gets closer you'll begin to make value judgments and decide what is really important to you and what is not.