

## PODCAST #234 SHOW NOTES:

# ECONOMIC COLLAPSE: HOW TO SEE IT COMING AND HOW TO PREPARE FOR IT! WITH KIMBERLY AMADEO

### Summary:

In today's episode of *Modern Combat and Survival*, Jeff is joined by economic analyst, business strategist, and author Kimberly Amadeo to discuss the economy and its potential collapse; what are the signs, what is the likelihood, and what can we do to prepare for it? We also discuss the nature of debt, the difference between recession and collapse, what the true value of gold in a collapse scenario really is.

### Show Notes:

- Signs of recession are looming on the horizon, and many Americans are not prepared for emergencies
- The danger of economic collapse remains a real possibility; what should you be doing to prepare for economic disaster?
- Kimberly joins the podcast to relay her economic expertise; what is our overall economic situation?
- Slow, steady growth is a positive indicator for the current health of the economy
- Recession is most likely when everybody thinks everything is going great
- Kimberly doesn't see a bubble at the moment
- The nature of U.S. national debt and the dollar as an international standard, and the ways it differs from personal debt
- National debt increases economic pressure, but there's no ready alternative to the dollar as a global standard
- Kimberly expects the dollar to slowly decline in value in the future
- The inverted yield curve is an early warning sign of coming recession
- A collapse is different from a recession and happens quickly; one almost happened in 2008
- The freezing of the money market would be a sign of coming collapse; gas and groceries would start to become scarce, and government services would begin to be limited
- Panic and bank runs would quickly begin
- What can people do now to prepare for a collapse?

- A diversified portfolio means that whatever happens you don't lose everything
  - 'Fight or flight': a passport would allow you to leave for a more stable country
  - Having cash on hand and enough in your account for six months
  - Isolated and self-sustaining real estate
  - Gold wouldn't necessarily be useful
  - Prepare mentally; expect the unbelievable
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- Gold isn't useful for a collapse situation because of the way countries realized that tying their economy to gold limited their growth
  - People recognize cash; they don't generally know the value of gold intuitively
  - Market prices depend on people understanding value
  - Silver has the same problem as gold; it's basically a lesser gold
  - A true collapse would give rise to a barter-like auction system with sellable skills as currency
  - What should you do first in the event of collapse?
    - Secure water, food, security
    - Head for isolated real estate before everybody else does
    - Be prepared for both fight and flight

### 3 Key Points:

1. The economy is in a generally healthy state right now, showing slow and steady growth.
2. A recession can happen gradually, and signs like an inverted yield curve can help predict its occurrence; a collapse can happen suddenly.
3. In a collapse scenario gold may not be as useful as popularly believed; people understand the value of cash so it's probably more useful to have on hand as an emergency preparation.

### Tweetable Quotes:

- "You'll know a recession is coming when everybody says it can't get worse." – Kimberly Amadeo
- "The economy is just *boring* - but that's what you want." – Kimberly Amadeo.
- "Prepare your mind now to accept the unbelievable." – Kimberly Amadeo.

### Resources Mentioned:

- [www.thebalance.com](http://www.thebalance.com)
- Beyond the Great Recession: What Happened and How to Prosper