Speaker 1: This is The Rich Dad Radio Show, The Good News and Bad News About Money. Here is Robert Kiyosaki.

Robert: Hello, hello, hello. This is Robert Kiyosaki, The Rich Dad Radio Show, The Good News and Bad News About Money. And today I think we have one of the more important shows of our time, because The Times They Are a-Changin'. In fact, that should have been our theme song, The Times They Are a-Changin', because today we have three monetary systems. We have metal money, which is gold and silver. I call it God's money. Then we have government money, which is the U.S. Dollar. Some people call it fiat currency. And today we have cybercurrency, which I call people's money, and that is Bitcoin, Ethereum, and all that. So, the question is, which is the real money today and what should you be counting on in the future? So, this is a show not about today but about the future so you can keep your ... An open mind on this whole thing.

So, today we're going to be talking to the infamous Harry Dent, who's an economic forecaster, and Harry has a very unique way of looking at how the economy runs and all this. I've followed him all these years. I would say he's been on about 80% of the time, which is pretty good for a forecaster. And then we have Jerry Williams, who is my dear friend, and he and I are old timers in gold. And so, some people might call us gold bugs, but I'm a bug on gold, real estate, cash. Everything but stocks. Real estate. I love the study of money. So, I'm going to be listening just as much as you are as to which way is the new money? Is it God's money, gold and silver? Is it government money? Fiat currency, the Dollar, the Yen, the Euro, the Peso? Or is it cryptocurrency, what I call people's money, the new technology called Blockchain, or Bitcoin and Ethereum?

So, today the focus will be on gold because gold is the oldest form of "money." I call it Gold's Money, because gold is atomic number 79, and silver is atomic number 47. They're not man-made, but government money is manmade and Bitcoin is manmade. So, there are some very big distinctions. So, that's the Rich Dad Radio Show. I want you to keep an open mind, as we have my sweetheart Kim, she's going to be talking about a very important book she read. What is that book?

Kim: When you talk about fixed mindsets, open mind, close minds, there's a great book out called "Mindset," and it's by an author named Carol Dweck. And basically what Carol says is there's two basic mindsets that we all have. We all have both of them but one is dominant, and one is the fixed mindset. And the fixed mindset says, "I am this smart. I was born with this I.Q." That does not change, you cannot get smarter as you get older, and their form of success is not making a mistake, not failing. Now, the other mindset is the growth mindset.

Robert: Well, they're living in right and wrong. This is why [crosstalk 00:03:05].

Kim: Very right and wrong. They have all the answers. So, the growth mindset says, "Hey, I can change, I can learn, I can be anything I want to be." And their definition of success is, "If I'm learning, if I'm growing, if I'm developing personally."

Robert: Open to new ideas.

Kim: Yeah. I've got to admit, when I was looking at the cryptocurrencies I was close-minded for quite a while, and only recently have I opened my mind, and you and I, Robert, went out and bought some and now we're learning about it, and now we've got ... I've gotten just a lot smarter.

Robert: Now we're multimillionaires and retiring within-

Kim: But I had to open my mind, because I'm like, "What is this? This is crazy, it's out of control." But now I had to open my mindset. So, we're asking all of you to keep an open mind because we're going to have a lot of different points of view today.

Robert: And the Winklevoss brothers, the twins, they're now the fist Bitcoin billionaires and those are the guys, they claim that Zuckerberg screwed them out of Facebook, so they made it on Bitcoin, which is nice. This is capitalism. So, let's start with-

Harry: We'll see them on the New York corners as homeless in a few [crosstalk 00:04:03].

Robert: Calm down, Harry, calm down. I know you're ready to go. But let me bring up my old friend Jerry Williams. This is a guy when ... Gold is gold. It's the information about gold that I trade on. And Jerry is in the market, he's an old timer like me, we've been in gold for years. There's a lot of people selling gold, but who has the information? So, Jerry, would you take two minutes to introduce yourself and give your experience of gold?

Jerry: Sure. Thank you, Robert. I started in 1973 working as a salesman for a company because I had been buying gold the year before and making money. And-

Robert: That's how old we are, because I started in '72 also when it was illegal to own gold.

Jerry: And so, you tend to be fixated on price. You buy it at 60 and the next thing you know it's 120. "Well, wow! Am I a genius or what?" But the older I get, which does give away my age, the more I'm not so much concerned about price fluctuations as I am about this longterm wealth. I like to think of gold in terms of real estate you can put in your pocket and take it with you. The difference is that if you need to sell it in a hurry you can.

Robert: It's liquid. See, gold is going to be here tomorrow, it will be here 1,000 years from now, but the price will change. And the reason it changes are underlying economic conditions. Why do you think gold is going to go to 3,000 or 5,000?

Jerry: Well, it will be scarcity. Right now just the government of China alone is taking off the market an amount equal to all the mining output in the world, every month.

Robert: So people are hoarding gold right now?

Jerry: Governments are hoarding it.

Robert: Yes, I understand.

Jerry: Our net position, and which is strange to admit, is that we have net selling.

Robert: Right. I understand.

Jerry: Why are people selling gold here at the lowest price of the year?

Robert: I understand. So, that's what you're looking at, at the price.

Jerry: I can give you three reasons right off the top here, and number one is, I need the money. There's an awful lot of people just selling because they have to do this, or that, or whatever. They always tell me why and I don't ask. The second reason would be to ... Going into the stock market, which again, that's where the positive flow is right now. And the third reason, believe it or not, and people will tell me this, they're putting it into Bitcoin, which just blows me away.

Robert: So, now before we go there to talk to Mr. Harry Dent, I was listening to Jim Rogers and he says ... He's a technical trader. He just went technical, that's why he's underlying. He says, "If gold should [inaudible 00:06:31] to 1,050 then he's back in." This was a couple of years ago. And then I was listening to Jim Rickards and he's saying, "Based on fundamentals of the dollar versus the underlying debt and things like this, depending upon M1, M2, M0, gold should be 10,000. So, we have China buying gold [inaudible 00:06:51]. Technical trader Jim Rogers, although he was with Soros on the Quantum Fund, 1,050, and Jim Rickards of The Road to Ruin, $10,000 based upon his underlying fundamentals.

And that's why our guest today is Harry Dent. His newest book is "Zero Hour: Turn the Greatest Political Financial Upheaval in Modern History to Your Advantage." But Harry has a unique perspective on gold, and he's calling $400 to $450 gold. So, the point here, do you have an open mind or a fixed mind? So, Harry, I'm going to take the muzzle off. Why is it going to 400 or 500?

Harry: First of all, you talk about money. Gold was classic past money. Present money is fiat currencies around the world. The future money is likely to be cryptocurrency, the bottom is up, like you said, people's transaction credit. And I am waiting for that. I hate central banks. Gold was great but gold cannot keep up. What he said before, gold is scarce. We're growing and the world economy is growing at 5% longterm. Gold production is going up 1% to 2% at best. It cannot keep up. It was an effective money in the past, it's not effective money in the future, and present fiat currencies are not affected because governments keep manipulating them, which the gold standard used to prevent them from. So, I'm into standards. I just don't think gold is it.

Gold is a commodity. Number one, commodities go up and down with inflation and scarcity, like the '70s, where we had low productivity, high inflation. Guess what was one of the best things you could invest it in? Gold and silver. Now, no. We're in a deflationary commodity. We've had the greatest bubble boom in history where everything has been over-produced, over-invested, over in debt, low interest rates, government stimulus. So, that's why we're going to have a bubble burst in the clouds.

And guess what? Gold was one of the greatest bubbles. It went up more than the stock market, seven to eight times between 2001-2011. Now that bubble is collapsing because gold is an incredible and perfect inflation hedge.

I've got a chart back to the 1700s on gold. If you adjust it for inflation it goes nowhere, like real estate. The difference is, real estate throws off [inaudible 00:09:16], gold does not. It is not a deflation hedge, and we're in a deflationary period. Why have governments printed 12 trillion dollars? Why did the gold bugs think we're going to have hyperinflation with 12 trillion dollars [inaudible 00:09:29]? Because they think that's going to cause inflation. All this money printing is fighting deflation, [crosstalk 00:09:37] deleveraging, bubble deleveraging.

Robert: I agree 100% with you. See, everybody please listen. People get excited about the price going up or price ... I don't care what it is. Remember, there was Beanie Babies for a while and the price of Beanie Babies went up. In the year 2000 it was the dotcom bubble. Remember, it was pets.com and all that stuff and people were betting on all that stuff, and people were going nuts. And today it's Bitcoin and the cybercurrency. So, Harry, what is the ... And I agree with you 100% that it's inflationary versus deflationary. If you've been talking deflation you're talking about depression. Aren't you?

Harry: And you're talking about every bubble deflating. Every debt levering thing. The cryptocurrencies, Bitcoin today, is exactly ... Not like just the tech bubble from 1995 to 2000. It's like the internet bubble that only came in the last year or year and a half and went up seven, eight times in a year. This cryptocurrency is the last stage of this bubble. Guess who's buying Bitcoin? It's not the institutional investors and the smart money. It's everyday people who don't have a pot to piss in getting rich overnight and all this stuff, and they're going to get creamed.

Robert: That's good, that's good. Now, Jerry, what do you think about that?

Jerry: Well, I agree with him on the Bitcoin. I'm seeing it personally right here every week, as people say they're going into ... People I play golf with ask me about it and when I try to explain it they don't understand it, but they're interested in it. How can you put money into something you don't really understand and there's no [crosstalk 00:11:04].

Harry: And there's no value. There is some value to gold and stocks [crosstalk 00:11:07] Bitcoin.

Jerry: That's right. There's nothing behind it. I was reading about the tulip bubble in the 1600s, and you know what really burst that? It's the Dutch created a futures program where they could actually trade the price of tulips. Tulips actually traded hands. It was the futures that did it.

Kim: So, Harry, are you also predicting a crash of the cryptocurrencies? Do you think that's going to come crashing down?

Harry: Yes, and I'll tell you how much. 90%, give or take a few percent. That when something bubbles up as much ... The internet bubble went up much faster than the Nasdaq bubble in a short period of time, and then when the Nasdaq bubble crashed 78%, it crashed 93% most of that in one year and half of that in the first three months. Most bubbles see half of their total crash in the first two to three months, and then most bubbles ... When it's a bubble, don't crash 40, 50, 60%. They crash 70, 80, 90% or more. This Bitcoin thing is going to die a horrible death and it's going to be the leading indicator of the entire stock market and all these other bubbles. This is the last bubble of all the bubbles. My question to you, including Treasury bonds, and what hasn't bubbled in the last decade or two? What hasn't bubbled to extremes compared to history? And bubbles always burst.

When people say, "Harry, oh, something can't go down 80%." Well, commodities are already down 60, 70, 80%." Bubbles always burst. When people say, "Oh, this will be different." I say, "Well, you show me one bubble that looks like this, looks exponential, which ..." I'll give you an example of what a bubble looks like. The Masters and Johnson's male orgasm chart. [crosstalk 00:12:40]. That's exactly what a bubble looks like. The 1950s and '60s stocks were not a bubble, just a strong bull market. This is a bubble, and everything including gold, when these bubbles burst gold will be one of the first things I'll buy because it is scarce. I like what Jerry said about it. It is scarce. Metals, we've seen a big commodity bubble burst like it did in the '80s. Every 30 years this happens.

When and this commodity bubble has burst the fastest, it will be one of the first to turn around, it will be led by emerging countries who, as Jerry said, are the biggest commodity consumers, especially gold, India and China. It will be the first to come on. I think gold will be 4 to 5,000 but I'll probably be dead by then, so I'm not [crosstalk 00:13:23].

Robert: Listen up right now. So, we've had Harry Dent calling for gold to go to 4 to 500, and we have Jerry Williams, a dear friend of mine, we're the old timers in gold, gold is going to go to 5,000. And we have Jim Rogers a while ago called called gold to bottom at 1,050 and Jim Rickards at $10,000. But the most important thing is, what the heck is going on? When we come back we're going to find out what's really going on underneath all these bubbling effects, but the most important question ... After you understand that, the question is, "What are you going to do?"

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Speaker 1: Log on to richdadradio.com while you listen. Now, back to Robert Kiyosaki.

Robert: Welcome back. Robert Kiyosaki, the Rich Dad Radio Show, The Good News and Bad News About Money. And today we're talking about gold. Is gold going to go to 10,000 as Jim Rickards says? Or is gold going to go to 500 as Harry Dent, our guest, says? And then we have Jerry Williams, who's calling for $5,000 gold, and nothing personal, but with respect to Jim Rogers, and when gold went to 1,900 he says the real price is 1,000. And every idiot jumps out there and runs into it and chases the price, but not understanding the underlying. And today the bubble is, of course, in Bitcoin. Everybody is jumping in, everybody is jumping in. But we have to understand the underlying, and then once you understand the underlying, economic forces are going on, you have a better chance of making a decision rather than being an idiot and jumping in.

But now we have other other guest, Harry Dent, who's calling for it to go to 4 or 500. So, The Rich Dad Radio Show, you can listen to it anytime anywhere, and iTunes are at ... And enjoy all of our programs at archive@richdadradio.com, because we believe in education. Listen to this program one more time, you'll hear stuff you've never heard before. And then also we archive it at richdadradio.com so that you can have your friends, family, and business partners, those with all those fixed mindsets especially, and no-growth mindset people, to listen to this program and discuss it. Because in that discussion there's possibly some growth, unless you're talking to some of my in-laws who have fixed minds.

Kim: Hey, hey, hey, hey. That's my family.

Robert: I have other family members too. We all know people who have closed minds. That's the way it is. So, the reason I have a show here is having two friends of mine, Harry Dent and Jerry Williams. Jerry Williams is a gold dealer. He's a founder of American Precious Metals, he bought his first gold in '72. His website is apmaz.com. And Harry Dent is a great ... He has great books, because every time I read his books I have to think for hours after reading them because-

Kim: Well, he's called a lot of things right.

Robert: But it's not so much he's right or wrong, but what is his underlying philosophy on this call? It's not whether he's right or wrong. I want to know what were the things he ... What was the assumptions? What does he see that I don't see? So that he's also the editor of the free newsletter, "Economy and Markets." His website is one word, harrydent.com. So, I agree 100% on Harry that we're on the edge of Armageddon. Now, we might not be, but I think we are. I have different indicators, what I'm watching, what I'm tracking on the underlying. So, first let's give Jerry, because he's older than all of us. Not really.

Jerry: Thanks, Robert.

Robert: Jerry, so, what are you watching on the underlying indicator? What are you concerned about and why do you think gold is going to go up?

Jerry: Well, we haven't identified this other bubble yet. We've talked a lot about a lot of them, but the biggest bubble, I think, is the U.S. Dollar, and of course bonds, which are the same thing. So, if we lose our status as the world's reserve currency and as a petrodollar, then the dollars are going to collapse. That's where gold will go up, because why would you want to hold onto a depreciating currency, whether it's in [inaudible 00:18:10], Venezuela, or whatever, That's why I like gold. It's more than a commodity. It's a currency and it's the only commodity that is a currency.

Kim: So, you think it's-

Harry: What are you going to buy with it, Jerry? Are you going to buy a loaf of bread with a Krugerrand? What do you mean it's a currency?

Jerry: Well, a lot of people say that. You could split that up and buy 75 ounces of silver with the same amount of money [crosstalk 00:18:30].

Harry: Yeah, you'd have to have a pretty sharp knife.

Jerry: Right. Well, you'd have some smaller type of instrument. You might buy some kind of new currency in exchange for your gold. But I think in terms of the number of loaves of bread, a suit, a pair of shoes, or a car or gas, I think that gold will hold its value regular to those other items that you're going to need.

Robert: So, Jerry, you're ... And I agree with you too. I watch the bubble and the dollar, but again that's just our point of view on this thing. Harry, what would you say are the biggest ... Let's start talking also what you see the indicators are, or the flaws are, or which pillars are going to collapse first, and then I want you to talk about where you would go, because I think you're calling for them to go into bonds and the dollar, and Jerry is saying that's where not to go. Right?

Harry: Yes, and not forever. More near-term in a crisis. Number one, the dollar collapse from 1985 to January of 2008 in the greatest boom in history, because we printed so many dollars and so much debt around the world, the dollar went down in value 60%. The dollar is not over valued, it's not in a bubble. It's only in a bear market bounce.

Robert: Wait a second. You're-

Harry: The dollar is not in a bubble. Nothing like gold. Gold was a bubble.

Robert: So, Harry, you're saying that rather than keep your money in gold, keep your money in the dollar.

Harry: Yeah. My question is, what ... When Lehman Brothers was going down the tubes, what did better? Gold or the dollar? Just answer my question, Jerry.

Jerry: Gold did.

Harry: Gold went down 33%, the dollar went up 27%. That's the answer.

Jerry: Harry, gold went in '08 from 1,000 three years later to 1,900.

Harry: Yes, because governments printed massive amounts of money to get out of that great downturn, which was becoming a great depression, and gold bugs and everybody, investors thought that's going to create hyperinflation. It didn't because we're not in an inflationary time. Let me give you my [crosstalk 00:20:27], Robert. It's very simple. [crosstalk 00:20:30].

Robert: Wait. So, all you're saying is-

Harry: Gold, longterm and show me wrong on this. It correlates with one thing and one thing only, inflation. Inflation in my underlying fundamentals in modern times correlates with workforce entry. Young people are inflationary, they cause everything to raise and hinder the economy. Then they become productive, drive down inflation, and when they die they're deflationary because they die.

Robert: Right. Right. Harry, let me interrupt. I would say your strength is that you're a demographics guy. You watch the-

Harry: No, I'm a cycle guy and demographics is one of the most important cycles I've found, but if demographics was not as important [crosstalk 00:21:08].

Robert: But wait. Harry, Harry, Harry, hold on. You've got to explain for people like me, what does demographics mean to you? Because the thing I say, I agree with you. Demography is destiny. If you watch demographics you can see the future, just like people could see the baby boom boom coming.

Harry: Well, especially when people have money. But the Bob Hope generation, the baby boomer, the first two generations to have middle-class living standards, and where the everyday person counted for the first time in history. Back in the good old days when gold was king people were peasants, and everyday people didn't matter much. So, demography has always been important but it became much more important. Demography has two big components among many. One is when people grow up and raise families they spend the most money. That causes boom and bust cycles for generations. The second thing, people enter the workforce, as I said earlier, they're inflationary. And when the exit, and retire, and die, it's deflationary. [crosstalk 00:22:06].

Robert: Which we're in right now.

Harry: Which we're in. Yeah, the baby boomers-

Robert: Are retiring.

Harry: ... are retiring and then they're going to die in massive numbers. [crosstalk 00:22:13].

Robert: Harry, don't tell me that.

Harry: Real estate, Robert, will never go up again when more baby boomers are dying than young people [crosstalk 00:22:18].

Robert: I understand. I just want people to understand your logic here, because what you're saying when the baby boom, which was 1946 to '64 entered the market-

Harry: No, no, but Robert, they're wrong about that.

Robert: Wait, wait, wait.

Harry: Demographers are wrong. It's 1937 to '61, it's the [crosstalk 00:22:33] side of the baby boom. They're taking above-average births. That's meaningless. I care about [crosstalk 00:22:38].

Robert: Harry, fine. We're not here to argue the facts. We just want to argue the trend.

Harry: No, facts are important, Roger. I can only deal with facts, not like Donald Trump.

Robert: I understand.

Jerry: Can I get a question in here?

Robert: I understand. Let's keep it simple, because Rich Dad here, we're not going to go into the numbers. So, the baby boom came in, there was a slight dip, then the biggest boom hit because we were growing up, we were spending money and all this, but now we're about to exit. That's what you're saying. Right?

Harry: Robert, let me be precise about it. On a 46-year lag, for the provable, documentable, factual peak and spending of the average person in this country, and 47 in Europe and Japan, on that lag we had a boom from 1983 to 2007. That boom went down, as I said, 20 years earlier and we've been living on printed money ever since to make up for it.

Robert: I agree.

Harry: And that's why gold went up at first because they're saying [crosstalk 00:23:31].

Robert: Harry, I agree. I agree.

Kim: I do have one question because you're talking about the baby boomers, and so we've had other guests who say, "Well, the millennial market is going to be bigger and all of that consumer spending is going to come back."

Harry: Well, let me talk to them because they don't have the facts. The millennial generation in the United States is one of the biggest of developed countries, and it only brings us back decades from now where the baby boomers took us in peak spending, home buying, car buying and everything. They are not a bigger generation. They are more numbers because they started at higher levels. They are not a larger generation. They're only half the wave as a generation as the baby boomers. So, these people, the same ones that say 46 to 64 don't know the facts.

Jerry: Can I get a question in here?

Robert: Yeah, Jerry. Please.

Jerry: We're talking an awful lot about the ebb and flow of the consumers worldwide that are causing these prices to go up and down and there is [inaudible 00:24:22]. Most people don't realize this, but two-thirds of all the gold that was ever put on this planet that are mined is in government vaults. Central banks own it. Central banks are still net buyers of gold. Why did they do that?

Harry: Jerry, have you ever been to India? No, most of the gold is bought not by central banks, it's bought by Indians and Chinese and that's why I'm bullish on it longterm.

Jerry: The government of China is the entity that buys the gold. They do encourage [crosstalk 00:24:49].

Robert: Wait, wait. Harry, Harry, Harry, just let Jerry give his point of view. You don't have to-

Kim: They're stopping.

Robert: I know. I know. I'm just asking-

Harry: You told me to stop in, Robert.

Robert: I know. I'm just asking you to give him the right to give his point of view.

Jerry: Here is another thing most people don't realize. When Lehman and Bear Stearns went under they had huge short positions into metals. They were short. They were [crosstalk 00:25:11].

Robert: What does that mean, Jerry? The average doesn't know ... The average guy is not Lehman or-

Jerry: Well, one of the reasons that gold had gone from ... To 1,000 down to 700 and popped back up to 1,000 by the time the housing crisis happened, they were short. In other words, they had a position that they could not deliver on and they had already sold it. So, some [crosstalk 00:25:30].

Robert: Right. They didn't have any gold, is what you're trying to say.

Jerry: That's correct.

Robert: Okay. Good. Jerry, we're speaking to average people here today.

Jerry: Well, I think that [crosstalk 00:25:36] standards if you borrow something and sell it you've got to pay it back.

Robert: Jerry, Jerry, Jerry. We just want you to give your point of view, Harry will give his point of view, I'll give my point of view, and Kim will decide who has the open mind or the fixed mind. We'll be right back.

Jerry: Okay. Well, there is this-

Robert: We'll be right back. That's enough. Thank you.

Jerry: All right.

Speaker 1: You're listening to the Rich Dad Radio Show, with Robert Kiyosaki.

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Speaker 1: This is the Rich Dad Radio Show, the good news and bad news about money. Here is Robert Kiyosaki.

Robert: Welcome back. Robert Kiyosaki, the Rich Dad Radio Show, and today we're talking about a very, very important subject. In the big picture of things, this is the theme of the show. We have God's money, which is gold and silver. Gold is atomic number 79. Nobody made that but God. And silver is atomic number 47. Then you have government money. It's called fiat currency. Fiat money simply means the government says it's money. The reason the U.S. Dollar is important to the U.S. government is we can only pay our taxes in fiat dollars, the U.S. Dollar. We can't pay in chickens, we can't pay in gold, and you can't pay in Bitcoin yet. Then we have cyber money, which is what I call people's money. It's decentralized money outside the central bank system. So, we're in the biggest change in world history and everybody has got a point of view. My recommendation is I always talk to people who know something, because most people know little.

So, I've been researching Bitcoin a lot. I bought five coins the other day just to understand it, and you know, I'm already a multimillionaire with just five coins. But anyway ... I also bought gold in 1972 at $50 and back in '72 they said it was going to go to 100 but most people don't know this. I was now a criminal because I bought the gold in Hong Kong. Americans weren't allowed to own gold. So, here we are, the biggest change in world history, and I think the biggest ... My opinion is, the dollar is the problem, but who knows? So, our guests today are Harry Dent, he's an economic forecaster. His newest book is "Zero Hour: Turn the Greatest Political and Financial Upheaval in Modern History to Your Advantage." It came out in 2017.

Kim: And if you go to Harry's website it's harrydent.com, and he has a free newsletter called, "Economy in Markets." I highly recommend it.

Robert: Right. But I would listen to what this man has to say, because what he watches is not what I watch. So, that's why I have him on the program because I want to know what he's watching. Our other guest is an old-time friend, Jerry Williams, founder of American Precious Metals. His website is apmaz.com, and Jerry is calling for gold to go to about 5,000 an ounce, and he has his points of view of why he thinks that's going to happen. And as I said, Jim Rogers of ... George Soros' former partner in the Quantum fund. When gold hit 1,900 he called for gold to be ... The real price of gold to be 1,000. He had his point of view. He's a technical trader. And then we have Jim Rickards, who is ... Both men are our guests on our program, and Rickards is calling for $10,000. And then we have Harry Dent who's calling it to go to 500. And so, Kim is going to explain again fixed mindset and growth mindset.

Kim: Well, at the Rich Dad Radio Show we want to give all points of view, and when you give all points of view you've got to have an open mindset to really be able to listen. If you have a fixed mindset that says, "No, I'm right and I know all the answers," you're not going to learn a darn thing.

Robert: So, let's start with Harry. I highly recommend you get his book, "Zero Hour," because you can go into more depth of what his fundamental underlying is, which I wanted to hear today. But Harry, what is the solution, what is your solution for people who suspect you're correct, we're at deflationary times. Let's say that gold goes to 500, the dollar crashes, the stock market crashes, the real estate crashes. Where would you go?

Harry: You'd be in safe assets. In the Great Depression, where everything went down, commodities, real estate, stocks, that's what happened. You have a bubble in everything and then everything goes down to reset. Like Jim Rogers said, gold went to 1,900. It should have been 1,000. Well, things go way above fair value, then they go way below, and then they go back to fair value. And so, we're just going to have a big reset. What you have to do is be in things from cash to safe bonds, high-quality bonds, and U.S. Treasuries are the highest quality bonds in the world. It's not Germany, which is way overpriced in bonds and undervalued in yields. Germany has got the worst demographics second only to Japan, ahead, and nobody saw the Japan crash coming because they didn't look at demographics. Nobody is going to see Germany and Europe implode like this, so the dollar is just the best house in a bad neighborhood.

We have better demographics than Europe, Japan, and even China, our major competitors. We have created less printing money than Europe and Japan compared to our economy, so we're just less bad. We're not good. We are devaluing our currency but not as much as others and currencies trade versus each other. Gold, stocks, bonds, have a value that somebody like Jim Rogers can say, "Hey, gold should be about $1,000." You can determine that based on supply and demand and historical trends. You can't do that for cryptocurrencies. They have no value until they establish themselves, and you can't do it for currencies. Currencies trade relative to each other. The dollar is the best house in a bad neighborhood [crosstalk 00:32:08].

Robert: Harry, give me a basic because most listeners at the Rich Dad Radio Show, like me, we're just students. How would you be buying dollars and bonds? Because that's not what I do.

Harry: You can buy a dollar bull fund, there's many of them. You can buy UUP, which is an ETF that tracks the DXY, the dollar index, which has done nothing but go up most of the time since the crisis started in January of 2008 in boom and bust, printing and not printing money. The dollar has tended to go up and has had little downside. It's the safe haven. I'm not into the dollar forever. I'm into it until it gets back to fair value after falling 60% in the '80s, and '90s, and 2000s. You get into bonds, I think where they go a little higher. At some point Italy is going to blow up and then all sovereign bonds are going to have a reckoning saying, "Oh, my God! What's Germany doing yielding 2%, and Japan bonds, which are bankrupt, yielding 0% ten-year when Italy is blowing up?" And governments can start to have problems, not just corporations and stuff.

Robert: So, how would you buy the U.S. bonds?

Harry: When bonds go up in yield I would buy them. I'd buy the 30-year Treasuries and the Triple-A corporate bonds because those are the two things, along with cash, that went up in value in the Great Depression in the worst decade in all of history, where gold was flat. And you can't judge gold ... And I give Jerry credit on that because gold was fixed by the government. So, that's a disadvantage. But all assets went down except for high-quality bonds. And cash goes up in value even though it isn't worth more. It's worth more because it will buy more of everything. So, you want to be in high-quality bonds U.S. dollar, which is going to be the [crosstalk 00:33:51] for years to come.

Robert: How would you buy high-quality bonds? What's your recommendation of that for a novice like me?

Harry: TLT is an ETF that tracks 20-year Treasury bonds in a combination of 10 and 30, but you can buy 30-year Treasury bonds. The longer the duration, the greater they're going to go up when deflation sets in and rates go down even further. I think rates are going to bounce on the 10-year Treasury, which is my benchmark, from 2.4% today to maybe as high as 3%, then I would buy them and watch them go down to 1% or lower. You're going to get 3% yields, better than stocks. Stocks are going to crash even if you get those 3% dividends. You're going to pay for that dearly. And the bond is going to go up in value because nobody's going to want a 3% bond when rates are down. They're going to want that 3% bond when rates are down at 1%. So, that bond could double in value while you're getting 3%. That's what happened in the Great Depression.

Robert: Do you cover that in your free newsletter, Economy and Markets?

Harry: Yeah.

Robert: And your website is harrydent.com.

Harry: Yeah. The last I heard.

Kim: I just have a basic question, Harry, because you said gold does well with inflation and we're in a deflationary period. This is real basic. Why is government so hellbent on keeping inflation up? What are they so afraid of deflation for?

Robert: To pay off the debt.

Harry: Well, they hated inflation in the '70s and gold was the best investment at that time. They hated inflation when we were going in one direction. Now that there's deflation, deflation tells you throughout history, you don't get deflation but once in a lifetime like the 1930s. Deflation means debt bubbles and financial asset bubbles are deleveraging. Money is disappearing at the speed of light, less money chasing the same goods means deflation and you're in a depression. Nobody wants ... No president, premier, or central banker wants to have the Great Depression on their watch, so they're printing money feverishly to fight deflation. And even though they're doing that, 12 trillion and rising, inflation is still at 0.1 to 2%. We're the highest in the developed world. 2%. Everybody wants 2% inflation now. People would pray for 2%. Japan is praying for 2% inflation. They can't get it.

Robert: Once again, this is Robert Kiyosaki at the Rich Dad Radio Show, listening to two great people, Harry Dent, he's an economic forecaster and, again, he's calling for gold to go to 4 to $500. And also there's my great friend Jerry Williams, American Precious Metals, and he has got his point of view on gold. And ladies and gentlemen, at Rich Dad we don't make recommendations. So, Harry had some recommendations on certain ETFs and things like that. Rich Dad does not agree or disagree, but that's his point of view. Once again, you can listen to the Rich Dad Radio Show anytime, anywhere, on iTunes or [inaudible 00:36:42], and all of our programs are archived at the richdadradio.com.

I suggest you listen to this program again in case you missed what Harry's logic was and his recommendations are. They're not my recommendations or Rich Dad's recommendations. Those are his recommendations, but I think you should have your family, friends, and business partners listen to this. Also, Kim is talking about you have a fixed mindset or a growth mindset. And the people who have fixed mindsets I would think are going to get wiped out. So, that's why we have the Rich Dad Radio Show. Jerry, what's your point of view on what Harry said?

Jerry: I'm looking forward to that 30-cent a gallon milk and a dollar and a quarter gas that we're going to get when we have the $700 gold because it's not going to go down by itself if the whole price [crosstalk 00:37:22].

Robert: So, you're calling for inflation.

Harry: You might get the dollar and a quarter gas. That's all. I'm not-

Robert: That's a good point, Jerry.

Jerry: I can see the logic in what he's saying.

Robert: I can too, Harry. I agree with you.

Jerry: The thing about Rickards' prediction is all you have to do ... It's simple math. You just take all the gold that's out there, all the money that's out there, and you divide it by the amount of gold that we know is held in vaults, and sure, you come up with $10,000 an ounce but that doesn't mean it's going to go there. I can see a $5,000 gold price. All it takes is a whiff of smoke, another major bank collapse of some kind. So, markets are fickle, but I-

Robert: It's going up and down. It's gyrating, and that's why I wanted to know what your point of view and Jerry's are on the underlying, and what Harry's underlying is, and I agree with both you guys. I'm concerned we're going into a depression because of hyper-printing.

Jerry: And that's the definition of inflation, isn't it, Robert? It's excess creation of money. It may not reflect itself on the price levels immediately. It takes time to work through, but-

Harry: But in 10 years? Nine years?

Robert: Jerry, would you buy bonds?

Jerry: No. I think interest rates are going to kill the bond market, and by the way, the bond market is one of the biggest bubbles right now. I would-

Harry: It isn't.

Jerry: Yes, it is. And I think you're going to see an inverted view for a [crosstalk 00:38:39].

Robert: All right. So, Jerry, for the average guy like me what do you recommend?

Jerry: Cash. I think Harry is absolutely right about the cash part.

Robert: Wow! Okay.

Jerry: Cash is king. You can do anything with it, as you know. You can pay your lawn service, you can buy a car, you can buy gold, or you can just sit on it and wait for the price [inaudible 00:38:57].

Robert: The biggest point, ladies and gentlemen, and the reason we have the Rich Dad Radio Show is that you can listen to different points of views. I think we're saying the same thing on the underlying. It's just our solution of what we do is different. So, we're almost out of time, so let's ... And Harry, could you take a couple of minutes and say what you want to say but more on to how to look at what you're looking at and what you're concerned about.

Harry: Bubbles just go until they burst. And this bubble has been ignoring every bad news, including Donald Trump. I'm sorry to say, Donald Trump is a crazy man. He just is, and he was known to be that, and the markets were expected to go down if he got elected by surprise, and they went down the night before and then they went straight up and they've been up every since because they're thinking they're going to get another freeload of money. Now they're going to get tax cuts on top of eight years of zero interest rate policies and 12 trillion dollars pumped into the global economy, which only benefits corporations, and lower borrowing rates, and higher stock prices. And then, companies now, the biggest net buyers of stocks, guess who they are. Companies buying their own stocks with cheap money provided by the government. The stupidest something for nothing scheme in history.

Kim: Can you explain that, Harry, just real quickly to the average person, what does that mean if they're buying back their stock? Why?

Harry: They buy back their stock because it decreases the number of shares, which means the earnings per share goes up even if their earnings are flat. And most companies are not growing that much, and the economy has been growing only 2% for the last eight years, despite massive money printing, which at any other time in history, in the '80s or '90s would have caused massive growth and hyper-inflation, by the way, but the gold [crosstalk 00:40:43].

Robert: And what you're saying is that the guys that run the big banks and all this, they got richer but the little guy is getting crushed right now.

Harry: Of course.

Robert: One more time, Harry, because-

Harry: Of course, this means that people who have money and invest money and the average person doesn't have much money to [crosstalk 00:40:56].

Robert: Right. But your recommendation for the little guy like us who have a few bucks, where would you put your money again?

Harry: Again, cash, U.S. Dollar. Increasingly over the next year, I would wait on this, in high-quality bonds. And then when things crash you start buying things in succession. I think gold and commodities in emerging countries that have strong demographics, unlike most of the developed world, are going to be the first to come out of this. Real estate will be the last because real estate takes longer to crash. Look at the last crash. Stocks hit bottom in a little over a year and a half. Real estate took six years to hit bottom. So, real estate would be the last thing you'd buy, but you'd start buying emerging markets, commodities, especially the metals because like Jerry said, they're scarce. They aren't making any more of the stuff. You can keep growing crops and cattle, you can't grow gold.

Kim: So, if gold goes to 450, Harry, are you a buyer of gold then?

Harry: Absolutely. That would be one of my number ... We're saying in the book that the precious metals and the industrial metals are the first thing you would buy for the next great commodity boom when emerging countries drive the world, because emerging countries both produce more commodities and consume more than developed countries.

Robert: Thank you, Harry. So, your book is called Zero Hour. Jerry, what are your final words on this whole thing, and what would you recommend the average person do? And again, Rich Dad does not recommend or endorse.

Jerry: I may sound like a broken record and I may be a dinosaur, but ups and downs will happen. If you don't have 10 or 15% of your portfolio in gold it's like running along without any life insurance. Eventually you're going to wish you had it.

Robert: What you're saying here is this. That the major countries, such as China, and Russia, and the U.S., are starting to hoard gold and there's only so much free or real ... Floating gold out there.

Jerry: Yeah, and they're not just starting. They've been doing it all along.

Robert: I know. I see-

Jerry: They love these low prices. In fact, if I was a conspiracy theorist I would say that they may have something to do with keeping these prices low on paper so that they can buy it physically.

Robert: Yeah. So, they suppress the price so they can buy and put it in the vault.

Jerry: Exactly. And they have the power to do it, Robert. [crosstalk 00:43:05] money.

Robert: I know that. What's your recommendation for the little guy on gold?

Jerry: The little guy needs to get started, even if he just buys an ounce. Something. At this level, 1,235 an ounce.

Robert: That's about 1,500 an ounce today. 1,500 bucks you can get started.

Jerry: Less than that now. I heard around 1,235 an ounce in today's market. It's ridiculous.

Robert: Yeah, but you've got to have your markup there, Jerry.

Harry: Not on GLD, not if you [crosstalk 00:43:30].

Robert: Harry, that's a whole 'nother story by going to paper gold. So, anyway ...

Jerry: No, don't do that. If you don't hold it, you don't own it. That's my philosophy.

Robert: Harry, Jerry and I are the old, old gold bugs.

Jerry: Yes, we are.

Robert: I don't like GLD or SLV, because I want real gold, not paper gold. Anyway, I thank the two of you. Man, this has been fantastic. I hate to say this, but I agree with both of you of-

Kim: [crosstalk 00:43:56].

Robert: ... the underlying. It's just we watch different things, because nobody is God. Nobody can see everything.

Jerry: You've got to diversify.

Robert: And everybody has a different solution, so I think-

Harry: Not even Donald Trump?

Robert: No, he is God. I think he told me.

Harry: No, you've got to give some exceptions.

Robert: That's right. Hey, Harry, thank you. I have followed you for years. I love ... It's not so much what you say but it's why you say it that is important. And Jerry, thank you for all these years of the information. So, those who want more information, Jerry is at apmaz.com. He's the founder of American Precious Metals, and Harry's website is harrydent.com, and his free newsletter is the Economy and Markets. Thank you, guys.

Kim: Thank you, Harry, thank you Jerry.

Harry: [crosstalk 00:44:40].

Jerry: Thank you too. It was fun.

Robert: And then when we come back we go to the most popular part of our program. It's Ask Robert.

Speaker 1: You're listening to the Rich Dad Radio Show, with Robert Kiyosaki.

Kim: Every business owner and real estate investor needs asset protection. Entities like LLCs, S, or C-corps are vital to protect yourself and your business. Let Corporate Direct guide you through the process of forming a corporation or LLC. Corporate Direct is owned by Rich Dad advisor, Garrett Sutton, and is Robert Kiyosaki's choice for corporate formation. Mention Rich Dad and receive $100 off a formation. Call 800-600-1760, or visit online at corporatedirect.com. That's corporatedirect.com.

Speaker 1: It pays to listen. Now, back to Robert Kiyosaki and the Rich Dad Radio Show.

Robert: Welcome Back. Robert Kiyosaki with Rich Dad Radio Show, The Good News and Bad News About Money. Today's show was about gold, but it's really about this thing called money. What is it? And since I've been a little boy I was wondering what money was, because they don't teach you this stuff at school. So, we had two great guests today. Harry Dent is an economic forecaster, his newest book is Zero Hour, and Jerry Williams, founder of American Precious Metals. And what I want ... It's not gold. I want the information. I want somebody who's in there every day of his life, and that's Jerry. He understands gold. And Harry Dent, his is economy and markets, harrydent.com. He recommends dollar and bonds and I don't touch those things because I'm in a different situation.

Once again, Rich Dad does not make any recommendations, but wants you to think for yourself. And everything, like the cryptocurrency today, you have to ask somebody who's in there every single day. And not your brother-in-law who's mowing the lawn and is buying cryptocurrency. That's ridiculous. So, you've got to understand the teacher. Who is your teacher? The reason I went to Rich Dad when I was nine years old, because my poor dad, PhD, knew nothing about money. Why would I ask about money from a poor man? And that's what most people are doing. That is my point of view. So, Harry, and Jerry, and I agree on the same thing. We're possibly heading, possibly, into a depression. And you're counting on job security like your dad did? That's ridiculous. My dad had no job security, Kim's dad had no job security, but they couldn't change their mind. They don't know what to do. "What happens if I lose my job?"

So, Kim and I ask ourselves that question. "What happens when we lose our job?" Well, don't need a job, but that was our solution. But most people if they lose that paycheck they're screwed. They're screwed. What happens if the stock market crashes and their retirement fund goes to zero? They're screwed, but they didn't want to keep an open mind. Right, Kim?

Kim: And that reminds me. I think the definition of intelligence is the ability to hold two opposing points of view and still function.

Robert: So, one guy says, "Going up," one guy says, "Going down. What's your point of view?" Anyway, submit your questions to askrobert@richdadradio.com and I can't ... We don't recommend anything. Harry says, "Buy bonds." I don't want to do that. And Jerry says, "Buy gold." I buy gold. I also am now a Bitcoin billionaire because I bought five Bitcoins and in five years they're going to be a billion dollars each. If you believe that, buy a Bitcoin. The first question, Melissa?

Melissa: Our first question today, Robert, comes from Blake in Los Angeles. Favorite book, Rich Dad, Poor Dad. He says, "What is your opinion on gold? Is that worth investing in, and if yes, how would you invest in it? Physical, mines, or ETFs?"

Robert: That's a great question, but you've got to answer that question for yourself. I don't trust ETFs because they're paper gold. It's called the ... If you understand money, all money is on a fractional reserve system. A fractional reserve system means, I put one dollar in the bank, the bank lends out 10. So, I put those 10 coins in another bank and they lend out 10 more coins. So now your one dollar is now worth $100. The same with the gold ETFs. There's approximately ... For every one ounce of gold in an ETF there is 100 flames which are gold ETFs against that one ounce. So, everything is fine as long as nobody wants that gold. So, that's why Jerry says, "Don't touch those." He didn't say it directly.

Kim: Yeah, he pretty much did.

Robert: Yeah, because if all of a sudden ... Let's say the price of gold is ... Let's say Jerry is correct or Rickards is correct and gold goes to 10,000. Everybody is going to go, "Oh, God, I want my gold. I want my gold and I'll do something else with it." They can't produce the gold. It's called a fractional reserve system, so that's why you have to study it. So, I don't have ETFs and I don't do miners because miners are leverage upon leverage. I want the real gold. Kim and I have real gold hidden in vaults far away, and you'll never know where, and we never spend it. Right, Kim?

Kim: That's correct. And if you listened to this program, Jerry is all about physical gold. And even Harry, he mentioned GLD, the ETF, and even under his breath he said, "Well, yeah, that's right. If you go cash them out you may find the gold is not there."

Robert: That is the banking system. Next question, Melissa.

Melissa: Our next question comes from Gerald in Minneapolis, Minnesota. Favorite book, "Rich Dad, Poor Dad." He says, "What do you understand about digital currency, and in your opinion is it real or is it a fraud?"

Robert: Again, my answer is always the same. You better find something who's actually trading, or was actually making it or mining it, as they say. So, we've already had one program on cryptocurrency. We're going to have another show, another friend of mine, and we're going to have several shows on this thing called cryptocurrency, because it's basically invisible money. But the main reason the Rich ... It sent me back on the big picture is the main reason the Rich Dad Radio Show exists and the Rich Dad Company exists, is back in 1972, as Jerry and I were talking about, we understood that the dollar became fake money. They took the dollar off the gold standard, Nixon did. And they could print as much money as you want. And yet people are idiots, they're still saving money. And as Harry Dent says, they printed 12 trillion all around the world.

The Japanese right now are still saving money. The Japanese are very smart people but they have no financial education. I was just in Japan. Lovely place, lovely people, my heritage, but they're still working hard and saving money. You've got to change your ideas, man. Why would you work for money when the government of Japan has interest rates below zero? "Oh, no, I've got to save money." "So, why is that?" "Because I have a fixed mindset. Because I'm doing the right thing." And that's what this program is about. That's why I had Jerry and Harry Dent on. They said the same thing but had different solutions. Comments, Kim?

Kim: Well, Gerald asked, "Is it real or is it fraud?" And every, every realm of investing there is real and fraud. It takes about-

Robert: We're going to have two guys on this program, actually four guys. My accountant, Tom, will be there because he was with me when we were getting educated on Bitcoin, but more than that, net worth marketing in Bitcoin. So, I'm not endorsing it, but I practice what I preach. We sat there with these two guys for two days educating me. I still don't understand it, but I now have five Bitcoin which is now worth 5 billion dollars.

Kim: And you make a really good point, because we talk to people who are doing it every day. And a lot of people, they're getting this ... Like Gerald is probably getting a lot of his information from the media.

Robert: Or from his best friend or guys at work.

Kim: The media talks about Bitcoin was hacked. Well, Bitcoin doesn't get hacked. The exchange where you buy and sell gets hacked. But you've got to get educated, you've got to listen to other points of view.

Robert: And educated. Don't talk to stupid fake teachers.

Kim: Real teachers.

Robert: The problem with academia, it's filled with fake teachers like my poor dad. They don't know much, but they're A students, they have the right answers, but they're terrified of making a mistake so they just do as they're told. They're like Fido, you know, "Good dog." "Here, Fido, do this, do that, roll over, bark." That's what happens when you go to school. Education is important but you don't want to turn into a Fido. Today a Fido is called FICO. FICO scores. Today FICO and Fido are the same thing. "Oh, I have a high FICO score." "Well, what does that mean?" "I have a high FICO." They don't know what they're talking about.

So, the Rich Dad Radio Program is here to save your soul. And next time you listen to somebody, ask yourself. If it's your brother-in-law, a guy at work, a woman at work, "Yeah, you should buy a Bitcoin." "Well, what do you know?" "I don't know. I'm just as stupid as you. I just bought it, though." But they want you to buy it so they can feel comfortable. So, that's why today I'm very happy we had Harry Dent, economic forecaster, and Jerry Williams. They both said the same thing. If you listen to the underlying thoughts, we're going into a depression. We're fighting deflation. But what you do about it is up to you. That's why you listened to two people. Comments, Kim?

Kim: I would listen to this show again because Harry talked about all these different bubbles that are going to come crashing down and-

Robert: Harry said the same thing.

Kim: He's saying the exact same thing, and Jerry is saying the same thing. I will listen to the show again, though, because there was a lot of information and really good information.

Robert: Once again, thank you to Harry Dent and Jerry Williams. Submit your questions, once again, to askrobert@richdadradio.com, and thank you for listening to this program.