

- Intro: This is The Rich Dad Radio Show, The Good News and Bad News About Money. Here's Robert Kiyosaki.
- Robert: Hello. Hello, Robert Kiyosaki, The Rich Dad Radio Show, The Good News and Bad News About Money. I'm here today with one of our favorite, favorite guests, a person I have tremendous respect for. I call him the Fire Hose. The reason I call him the Fire Hose is the first time I saw him speak, I said, "How does his brain fire that much information out? I can't even think that fast, and he's speaking that fast." I call him the Fire Hose. Kim is sitting at home. Any comments for Jim, Kim?
- Kim: I'm looking forward to talking with Jim because there's so, so, so much going on. I just want to say that Jim's also the editor of Strategic Intelligence. It's a financial newsletter. It's excellent. He's also the author of The New Great Depression, which is coming out in January, which is going to be very exciting. The New Great Depression comes out in January. He's written Aftermath, The Road to Ruin, The New Case for Gold, Death of Money, and Currency Wars. You're our go-to guy. When I'm looking for answers, Jim, you're who I turn to or we turn to.
- Robert: Anyway, another thing is that Jim's new book... I mean I've read every book, so I can't wait to read this book here. It says, "It's a book on optimism," but it's called The Great New Depression. I think the reason you want to listen about The Great New Depression is to be an optimist. What can you do? We have a hung election, and we have COVID running rampant. We have the debt of the United States going through the roof. With that, that's the scenario we're running into today. With that, I'll let Jim take over and hear what's on his mind. What's on your mind, Jim?
- Jim: Well, first of all, thanks for the introduction, Robert. Thank you, Kim, for the kind words and mentioning the book. You're right. The book is called The New Great Depression, but it has an interesting subtitle. It's The New Great Depression, Winners and Losers in a Post-Pandemic World. I'll emphasize the winners. There are ways to make money. It's not all about making money, but certainly, that's on a lot of people's mind or if not making money, at least preserving wealth. They're not getting wiped out, but you could do both. A lot of social stress, a lot of... Obviously, the pandemic is front and center. That's what the book's about and that's what's on my mind. It's a pretty big topic.
- Jim: I'm happy to be with The Rich Dad Radio Show and you guys. I just spent three days locked in a phone booth. That's a little bit of an overstatement, but I just recorded the audiobook version of the book. What's interesting is that you go back five years, you have the hardcover, and then maybe a year later or whatever, the paperback comes out. Kindle sales, the ebook version was taking off. A lot of people were saying, "eBooks are taking over the world. A couple more years, there won't be any more books. It'll all be eBooks." That turned out not to be true.

- Jim: Kindle carved out a market share of about 30%, but it plateaued at 30%. That's important, but it didn't go to 50, and 60, and 70. It plateaued at 30%. If you said, "Where's the growth in the book industry right now," it's in the audiobook sector. That's the sector that's on fire and that is still growing. Maybe it'll reach a peak at some point. There are audiobook fans out there that say, "Yeah, I love the book. Can't wait to get it, but I want the audio version because I can listen to it in the car or on a plane or whatever." We had a great team of producers, of voice directors.
- Jim: I tease my voice director. I call him the Stanley Kubrick of voice directors. We did one sentence 15 times. We did 15 takes to get it just right. Obviously, when you get the audiobook, you'll just hear the edited version, but a lot went into it, and I'm very happy with the production value. Of course, then there's the book itself. That's the main event. It's coming out January 12th. It's available for preorder now on Amazon, and Barnes & Noble, and Powell's, and other independent booksellers. I put those links out on Twitter, but they're easy to find, so you can get them.
- Jim: This will be the first, and this is more to your question, Robert, of what's going on now, what am I thinking about... This will be the first, and as far as I know the only book, that wrestles with the pandemic, and the economy, and the new great depression. They'll be doctors out there writing books on COVID-19. I'm sure there'll be economists writing books on the economy. Although, the funny thing about economists, they actually, by and large, they don't write books. They write articles. They write journal articles and technical papers. Actually, you, and I, and Kim are among the few people who actually write books on these topics, so there are some, but they're few and far between. This'll be the only book that tackles both.
- Jim: I had this debate with my editor at Penguin Random House, great... They're very supportive. We make a great team. She said, "Jim, you're the author we want to do this book on the economy. You go back to last March, of course, the stock market had crashed, fallen over 30% in a matter of weeks. We want you to do this book, but keep away from immunology and epidemiology. You're not a doctor. That's not your area of expertise." I said, "Time out." I said, "This is like asking someone to write a book about property damage in New Orleans in 2005 and not mention Hurricane Katrina. You can't do that. These two things are joined." I said, "So I'll do the economy for sure, but you got to trust me on the science."
- Jim: First of all, I mean I do have two degrees from Johns Hopkins, so I'm not intimidated by natural science, but I've read over 100 peer-reviewed articles, journal articles, New England Journal of Medicine, The American Medical Association, Lancet, et cetera. That doesn't make me a doctor. I'm not a doctor, but if you have some background, and you think the value is in interdisciplinary approaches, which I do, this stuff is accessible. You have to stay with it, but I was able to come up the curve on that.

- Jim: When I started the research, I thought, "Well, this is going to be easy. There's going to be a whole bunch of junk, and conspiracy theories, and just whacked out crazy ideas-"
- Robert: Well, Jim, if I could support what you're saying is you said there was a good possibility a pandemic was coming before the pandemic came. You were on the target, and so that's why I want to find out what your thoughts are today, what's coming up next. Well, I know there's a pandemic. A lot of people now are suspicious of it, this vaccine, and big pharma, and all this stuff. We want to know because your insights are often much more insightful, should I say much more deep.
- Jim: Well, if-
- Kim: And I know a lot of people are wondering what's coming for 2021.
- Jim: Yeah, sure. If you go back to my 2019 book, July 2019, Aftermath, and look at pages 285 to 295... This book is a year and a half old. It mentions pandemic and two other events. It says, "100% chance one of them is happening in the next three years." So we actually talked about pandemic and said, "It and one of two other things, high... Well, not a high probability. 100% it would happen in the next three years." Then went on to say, "This could lead to social disorder, mobs, and armed forces in the streets," which is exactly what we saw all summer. In fact, we're still seeing it in Portland, Oregon today. There's nothing that's happened in 2020 that we didn't preview in 2019 in that book. If you read that book, you saw it coming.
- Jim: Let's talk about what's next. First of all, this is not a recession. Yeah, there is a technical recession. There is a technical recession that started in February 2020, and it was probably actually over by June 30th, 2020, and the economy grew in the third quarter. That means the recession was over. That's kind of irrelevant. We're in a depression. Depressions are different than recessions. Recessions are technical. Two consecutive quarters, declining GDP. Okay, we had that. It went up in the third quarter. Recession's over.
- Jim: We're probably going into a second technical recession right now. Meaning this will be back-to-back recessions, something we haven't seen since 1980, '81, in the midst of what is really a depression, which is a much longer phenomena. It will have intergenerational effects. My expectation for the first quarter is it will be in a second recession. That's because of the outbreak. As I say in the book, Robert and Kim, the virus didn't cause the depression. It was our reaction to the virus that caused the depression. Viruses can cause pandemic, and disease, and tragically loss of life, but whether you go into a depression or not depends on the policy response.
- Jim: The policy response was completely blundered. The book makes clear that lockdowns don't work. You got every politician from Gavin Newsom to Andrew Cuomo, and Gretchen Whitmer in Michigan, and governors across the country imposing extreme

lockdowns right now as we speak because of this, whether you want to call it a second wave or a third wave. The infections are peaking again. Fatalities are peaking again. It's actually worse than it was in March and April. That not only has not gone away. It's actually getting worse right now.

- Jim: The answer is to lockdown. Lockdowns do not stop the spread of the virus. They just don't work, and there's a lot of evidence. I point that out in the book, but they're very good at destroying economies. They'll destroy an economy in a heartbeat, and that's what's happening. So calling it a recession in the first... Well, it's really starting now in December, but the first quarter of 2021. That's easy because, hey, lockdown the economy, you're going to get a recession.
- Jim: Robert, I know the stock market industry is at all-time highs or near all-time highs. I get that, but the S&P 500 is really the S&P six meaning Microsoft, Apple, Netflix, Facebook, Alphabet, they call it Google, and... I mentioned Netflix, and Microsoft, Appl, and the rest. Those six stocks are 40% of the S&P, not 40% of the number, 40% of the market cap. It's a cap-weighted index, which means that those stocks are not just disproportionately, but they are 40% of the index.
- Jim: So when I see the S&P at an all-time high, I say, "Okay, that just means Apple, Google, and Facebook are at all-time highs. Fine, but what about the other 494 stocks in the index, number one? Number two, people look down their nose at small business. I mean who gets hurt by the lockdown? It's not Apple. I mean they're doing better than ever." Oh, Amazon, that was the other one I didn't mention. Amazon is off the charts. What about your nail salon, your hairdresser, the bar, the restaurant, the dry cleaner, the gas station, the boutique in your town, all those local businesses?
- Jim: Well, you can say, "Well, yeah, they're tiny. How do they compare to Apple?" Well, guess what. Those small and medium-sized enterprises are 45% of GDP and 50% of all the jobs in America. They're the ones getting shut down. How do you shut down 45% of GDP and 50% of the jobs and not go into a recession? We're in a strange place right now where I talk in the book about the difference between perception and reality. The perception's up here. That's where the stock market is. The reality's down here. We're locking down half the economy as we speak.
- Jim: That gap is going to close. It's going to close very quickly, and the stock market is going to come back down again, back down to reality. Not necessarily tomorrow. I'm not a day trader, but it will happen as the reality. I always say, "Reality always wins." Perception can take the market to a crazy place for a short period of time, but in the end, reality always wins. Reality's going to win again. The reality is horrific from the disease point of view, and it's about to get a lot worse from an economic point of view.
- Kim: Jim, what's the agenda behind destroying the economy? What is going on there? Why-

- Jim: That's a really, really good question. It's a combination of the arrogance of the scientists and the ignorance of the politicians. There's a combination for you. You'll see this guy, Anthony Fauci, head of immunology at the Centers for Disease Control. He gets up there. He was on the Trump Coronavirus Task Force. He's been now added to the Biden Coronavirus Task Force, so that's how it is in Washington. The swamp continues regardless of who's president. He's issued contradictory, just flat out wrong statements all along.
- Jim: He likes to say, "Hey, I'm just an immunologist. I'm not telling you what to do." That's nonsense. Trump handed over the economy to the doctors. I say doctors, not clinicians, but these bureaucrats, these immunologists, and epidemiologists. I don't necessarily fault him for that. I do a little. By the way, I think he did as good a job as could have been expected. I'm not saying anyone would have done a better job, but the politicians generally and the governors handed everything over to the "scientists" without ever stopping to think, "A, do these scientists actually know what they're talking about?"
- Jim: I mean whenever anyone says, "The science is settled," you know they don't know what they're talking about because science is never settled. You talk to a real scientist, they'll say, "Yeah, we get competing views, ongoing research projects. We debate it, and even if we get close to a resolution, we keep going and try to move." That's real science. It's not dictatorial. You know the old saying, "If you're a hammer, everything looks like a nail?" Well, if you're an immunologist, everything looks like a lockdown. They don't know what else to do. The vaccines are coming out. We'll see how effective they are. Hopefully, they're very effective.
- Jim: Best case, that's going to take six months to a year to really have a wide impact on the population. That's the best case. The worst case is that the effectiveness does not live up to what the trials showed. There may be side effects that didn't come through in the trials because everything was rushed. I'm not criticizing the rush. I'm just saying that don't think this went through the review that normal medicines get. Viruses are very tricky. They can mutate, and they do mutate. Who's to say that the vaccine for version A will be effective against version B if the virus does mutate? It's good news. I'm not saying that it's bad news, but we got a long way to go on that.
- Jim: Meanwhile, the virus is out of control. The economy's going into a recession. Stock markets are way overvalued. They're going to correct. Don't know exactly when, but, over three to four-month horizon, that's something you can expect. Investors should just get ready for that.
- Robert: Once again, we're talking to Jim Rickards. His new book is *The New Great Depression*. When we come back, we'll get into the really bad news, but not really. Most importantly, I think most important is be aware. I want people to understand what Jim Rickards is thinking, what he's saying. Once again, we're sitting in the middle of a hung presidential election. What happens, I don't know. The economy's getting worse.

- Robert: As Jim says, they're crushing the production of this country. Small business, they're crushing it. Every depression and all that has come from crushing of production, and that's what we've just done due to this COVID. When we come back, we're finding out what you can do, where the optimism is, what the bright side is, but most importantly, how can you prepare for the new great depression. We'll be right back.
- Robert: Welcome back. Robert Kiyosaki, The Rich Dad Radio Show, The Good News and Bad News About Money. Our guest today is one of our most popular guests, Jim Rickards. He's the author of very great Currency Wars, Death of Money, The New Case for Gold, The Road to Ruin, Aftermath, and his new book coming out, The New Great Depression. I have read all his books and studied him. We've been to him before. We've had dinner with Jim. It is the most fascinating time because there's not an answer. This is a big picture challenge we face across the world. We're talking about The New Great Depression.
- Robert: Then once again, you can listen to Rich Dad Radio anytime, anywhere on iTunes or Android and YouTube. Please leave a review whenever you listen. All of our programs are archived to Rich Dad Radio. We archive them because we're an educational program. We don't make financial recommendations. We archive them so you can listen to them again because when you listen to it again, you'll learn twice as much. More importantly, you can listen to it with friends, family, and business associates, and discuss it, and then you'll absorb 10 time as much. Anyway, Kim, any comment before we turn it over to Jim?
- Kim: No, Jim, you said as we ended that segment, "So this is what investors need to know." What do investors need to do, excuse me, to prepare? What can they do, the good news and the bad news?
- Jim: Yeah, one thing. This whole Wall Street, 401K, IRA structure has been geared to drive people into the stock market. Now, there's a place for stocks in your portfolio. I'm not saying dump all your stocks, but there's a world of investments out there. You have stocks, bonds, but also commodities, currencies, alternatives, silver, gold, real estate, fine art, natural resources. There's a whole world of investments, and most investors don't even think about all those other things. They're not always easy to put into a 401K, but you can do it if you talk to your plan sponsor.
- Jim: So many people, they're just offered a choice of five index funds and two money market funds, and that's their 401K. I have, obviously, gold in my portfolio. I keep it around 10%. Some people are 50%. That's up to them. I don't tell people what to do, but I mean, to me, 10% is a good allocation. People say to me, "Well, Jim, that seems risky. How do you sleep at night with 10% of gold?" I say, "How do you sleep at night with 90% in equities? I mean that's a lot scarier than having a slice of gold."

- Jim: I would lighten up on the equity side. Again, don't go into a bunker. Don't sell all your stocks, but lighten up. Maybe go to cash. Certainly, gold has a place. If you don't have any gold, there's a place for 10% gold. That could include gold mining shares. That's a really difficult area because gold mining shares will outperform gold in both directions, by the way, up and down, but gold is in an upward trend right now. There's no doubt about that. Gold mining shares will outperform gold, but they're not all created equal. Gold is. I mean gold is an element, atomic number 79.
- Jim: Gold mining shares, you really got to look closely at the management of the company. That's the differentiator. Some of these guys are brilliant. They've done it before. They have track records. They're on the right track. Others are... Candidly, some of them are frauds. How do you sort that out? Well, maybe a good gold fund managed by an established company where they're going to do all the hard work for you, all the selection is the way to go. There's a place for that.
- Jim: I also recommend big allocations to cash, as much as 30%. People say, "Well, Jim, cash has no yield." Well, actually, it could be your best-performing asset in the year ahead. Here's the reason. We may be looking at deflation, not inflation. Everyone's worried about inflation. We haven't seen inflation in 12 years or actually longer. Probably you got to go back to the early '80s before we had serious inflation. The Fed has taken its balance sheet from \$800 billion in 2008 to \$7.5 trillion today.
- Jim: Most people say, "Oh, all that money printing. You're going to get inflation." No, money printing has nothing to do with inflation. Inflation comes from velocity. It's the turnover of money. You take \$7 trillion of Fed money. How much is seven trillion times zero? It's zero. Zero's the velocity. It's the turnover of money that gets you the inflation. If you don't have velocity, you don't have inflation. Actually, you don't have an economy. Velocity's been dropping like a rock for 22 years. It's not a 2008 thing. It's not a 2020 thing. Yes, it did take it lower. It's been going down for 22 years. That's why the Fed money printing has not turned into inflation. It could at some point. I don't rule it out, but deflation is a bigger problem.
- Jim: Well, guess what? Deflation means the value of your cash goes up. You don't have a big yield on it, but it has more purchasing power because the price of everything else is coming down. If you have, say, 2% deflation, the real return on cash is 2% because even at the same nominal amount, it's worth more. Cash also reduces volatility, so slice of gold, a big hunk of cash, reduce your equity exposure.
- Jim: Real estate, it's really interesting because... and you guys are the real estate experts among other things, but most people... It's usually correct that residential real estate and commercial real estate tend to move up and down together because they're driven by the same factors, expanding economy, low interest rates, et cetera. That is not true today. Commercial real estate is collapsing, and it's going to get worse. Residential real

estate is soaring in certain areas. I hate to use cliches, but we all know location, location, location.

Jim: There is a serious mass exodus, and I'm talking millions of people leaving New York, Chicago, Baltimore, Seattle, Portland, and California. Our friend Elon Musk just checked out. Where are they going? They're going to Phoenix, Scottsdale, Miami, Florida, Texas, some of the Rocky Mountain states, Salt Lake City, Colorado. These places are booming. If you can get in on residential real estate, and it's kind of hard to do as an individual, but there's some well-managed funds out there. Mortgage rates are near all-time lows, but there's a housing shortage believe it or not. I'm letting middle to higher-end housing with the good school districts, and the low taxes, and all the things you want. Commercial real estate has not hit bottom. I wouldn't touch it for another year or more, but residential real estate is red hot.

Robert: I'm still more... not confused. I understand that's going to happen. My question for you on the financing behind commercial. I go around, and CMBS is commercial mortgage-backed securities. The same as derivatives have brought down the subprime market. It's the financing structure underneath commercial that's going to collapse. Would you say that's-

Jim: Sure. There's considerable ripple effect, Robert. Let's take it from the tenant's perspective all the way up to the investor in the CMBS, commercial mortgage-backed security. What's going on with tenants? They're not paying the rent. Depending on the area, between 50% and 90% of tenants are not paying rent right now. They can't afford it. They've been shut down. You think a hair salon or a bar or a restaurant that's closed is paying the rent? They can't. A lot of states have put in eviction abatement, meaning you can't evict them. They may still be on the premises. They're not paying rent.

Jim: I'm not making good, bad judgments. I'm just telling you what's going on. That gives a little cash flow relief to the tenant, but what does it do to the landlord? Well, the landlord is leveraged himself meaning, "Yeah, I got tenants paying me rent, but they're not paying me rent, but meanwhile, I got a mortgage on the property." That means you can't pay the bank. Does that mean all the losses fall on the banks? Well, by and large, no, because the banks took those loans but bundled them into commercial mortgage-backed security and pushed them out there. Where are they? They might be in your 401K, and you don't even know it because if you bought some... You're sitting there at work, and you get your 401K signup form or your IRA signup form, whatever. You're like, "Yeah, I'll take a fund, a real estate fund. That sounds good," or whatever. They could be in your portfolio. You got to dig and look, but you're right.

Jim: By the way, all this takes time. This takes a year to play out. It doesn't happen overnight. First, as I said, the bar or the restaurant... I mean some of them will be open. Over half of them are actually closed for good. Everyone's like, "Oh, the restaurants that are closed will reopen when the pandemic's over." No, they're not reopening. They're



closed. The ovens are for sale at fire-sale prices. The lease is broken. The storefront's empty, and there's no tenants. That's the reality on the ground.

Jim: Okay, so then it falls on the landlord who can't pay the mortgage. They may or may not go into default. Probably will or at least, they're banging on the lenders' doors trying to renegotiate the loans. Ultimately, it comes back to these securities, and there will be massive losses, but it could take a year to ripple through.

Robert: Given the worst-case scenario, let's say you either own the restaurant or you worked for the restaurant, and it's shut down. That's the worst-case scenario, but that's a pretty bad scenario. You're now one of the 45% of the GDP and 50% of the employees. Our production's been crushed.

Jim: Correct.

Robert: Okay. Then what happens is what would you say to somebody who's either lost their job or afraid they're going to lose their job or they've lost their business?

Jim: Well, it's a-

Robert: You have any suggestions as how you navigate out of that?

Jim: Yeah, it's a very good question. Going back to March, April, May, but, well, it's true today, you had Larry Kudlow... Larry Kudlow's a nice guy personally. He has about one of the worst forecasting records that I can think of. They were running around. Remember the phrase pent-up demand? We heard that March, "Well, don't worry about the economy. We're going to reopen in the summer, and there'll be pent-up demand." This is the equivalent of green shoots. Remember 2009, everything was green shoots? We had 10 years of 2.2% growth versus 3.2% historical growth. There was \$4 trillion of lost output between 2009 and 2019. There are your green shoots, so it was more like brown weeds.

Jim: Today, it's pent-up demand. Here's the thing. During the worst part of the lockdown, although, again, we're now getting into lockdown phase two, but March and April... My wife and I usually go out to dinner on a Friday night or a Saturday night. Well, we weren't going out to dinner. We were up in our farm in New England on the mountain hunkered down just like everybody else. Well, eventually, by July, some of the restaurants reopened, and we went out to dinner. Well, if we had skipped 15 dinners, which we did, and we went out to dinner, we didn't order 15 meals. We ordered one like we usually do. In other words, all those meals that were skipped, that was permanently lost. There was no pent-up demand. Yeah, I went out to dinner, but I didn't order all those skipped meals. That's gone if the restaurants even opened, which in many cases, they're not.

- Jim: Let's say you're one of the employees. What people are doing, Robert, is they're saving. Savings rates have skyrocketed. Now, that's not a bad strategy. If you lost your job, you don't want to spend like crazy. You're probably trying to pay the rent or your kid's tuition or your healthcare or whatever. Even people who have not lost their jobs are saying, "Well, maybe I'm next. How do I know my business isn't the next one to fail? How do I know I'm not the next one to get laid off?" So they're saving as well.
- Jim: In the individual case, that's a good strategy, but in the aggregate case, it's a disaster for the economy because when you have more saving, you have less consumption, right? You get money, maybe, maybe not, but if you get money, you can spend it or you can save it. Well, if you increase savings, you're going to reduce spending. That's another reason we're in a depression, and we're going into a second technical recession right now. That's why it's going to be very hard for this economy to dig out.
- Jim: Sorry, getting back to the individual, yeah, I counsel my... I have three children, and they're all the millennials. They're kind of in the older echelon of the millennials, but they're all under 40. They're all in their 30s. When they were in their late 20s and out of college, and their friends, I would counsel a lot of them. It was tough getting jobs in 2008, 2009. I said, "Well, start your own business. Create your own job. Make your own job," and they did. Many of them did, and they're having some success, so don't give up.
- Jim: If your job as a waiter or bartender's gone, and you're having a tough time getting one back, well, think of something that people need even in difficult economic times. Can you provide that or can you maybe join with a get in a startup situation? It's easier said than done. It's a lot of hard work, but starting your own business or teaming up with people to provide a needed service is an alternative to getting a job, which is hard right now.
- Robert: So in The New Great Depression, I mean they're going to have... They had that PPP, and CARES Act, and all these. I call it socialism coming in. How much more is that-
- Jim: Well-
- Robert: How much-
- Jim: Well, there's a lot-
- Robert: Is that-
- Jim: There's-
- Robert: Is that the only way they're going to do it? They're going to just keep printing more money?

- Jim: Correct. Well, let's separate fiscal policy and monetary policy, okay? Monetary policy is completely impotent. They are going to print more money, but rates are at zero. The Fed's probably not going to go to negative rates. The market could take rates negative. Just by paying a premium in the secondary market, that'll give you a negative yield to maturity, so you might see negative rates. In fact, I think you will see negative rates in the Us Treasury market, but that's as a result of premiums paid in the secondary market trading, not because of the Fed. The Fed's stuck at zero, so interest rate cuts are off the table.
- Jim: By the way, they may be stuck at zero. The Fed has said, "Yeah, maybe 2022 or 2023 before we raise rates." Try 2040. I'm serious. There's a study. It's included in my book, but it's publicly available from an economist at the Federal Reserve Bank of San Francisco and three collaborators from academia. They looked at every pandemic from the Black Death until today, so a 650-year time series. That's my idea of a time series, not six months or whatever. There have only been 15 pandemics in which 100,000 or more people have died. The two biggest were the Black Death, which was about 75 million, and the Spanish flu, which was about 100 million. They're fatalities, not cases. The cases were far higher. There have only been 15.
- Jim: COVID-19 is going to end up being maybe fourth on the list. It's on the list, but it's not like an [inaudible 00:31:58]. It's going to end up being fourth. What they show is that they say, "Well, what's the average recovery time? When does monetary policy and economic growth get back to normal following a pandemic of that size?" Their conclusion was it takes 30 to 40 years, not months, not weeks, but years. I experienced this myself. I grew up in the '50s and early '60s, right? I did not live through the Great Depression, but my parents did, and my grandparents did.
- Jim: I was raised with the Depression mentality, even though I didn't live through it. I lived through a fairly prosperous period, but we went from door to door with wagons as nine-year-olds collecting newspapers and tin cans. We weren't doing it for environmental reasons. Maybe it was good for that, but we were recycling paper and the steel in tin cans. You got the newspaper. You didn't throw the rubber band away. You put it in a jar because it was a free rubber band.
- Jim: That didn't change until the late '60s when the baby boom kind of started to come into their own, and spend money, and borrow, and rock and roll. The psychological effects of the Great Depression lasted for 30 years, and the psychological effects of this new depression are also going to last for 30 years. Don't wait to get back to normal. We're not got it back to normal. We're going into kind of a new world.
- Robert: Well, Jim, I know you have a hard stop, so I really appreciate your contribution, and your wisdom, and historical viewpoint. I really suggest people read your books because I don't just read them. I study them. I have group studies with them because each time I study, I get a whole nother insight I didn't get just from reading it. When I discuss it with

our friend, "Did you see this? You see that?" What you do is you open people's minds so they can see a different world. I really appreciate your contribution to society, but sharing what you've learned over these years. Thank you again, and I will download to have you back again.

Jim: Thank you, Robert. Thanks, Kim.

Robert: Thank-

Kim: Thank you, Jim. The new book is *The New Great Depression*. Comes out January 12th.

Robert: When we come back, we'll be talking. Kim and I will wrap up, give you my final thoughts on this, and she'll explain why my rubber band collection is so big. Thank you. We'll be right back. Thank you, Jim.

Robert: Welcome back. Robert Kiyosaki and *The Rich Dad Radio Show*, *The Good News and Bad News About Money*. I'll thank our guest today, Jim Rickards. Man, he's always the most welcome person, and talk about opening up your mind. I mean every time I listen to him, I hear something I never heard before. Anyway, I want to thank him.

Robert: You can listen to *The Rich Dad Radio Program* anytime, anywhere on iTunes, YouTube, and Android. Please leave a comment whenever you listen. All of our programs are archived at [richdadradio.com](http://richdadradio.com). We archive them for one reason, so you can listen to them again. Listen to it again. You'll pick up twice as much, but also use it to discuss with friends, family, and especially business associates. It might open up the minds of the people around you because a lot of people today are walking sound asleep. Kim, any comments on what Jim had to say?

Kim: Yeah, one of the things I really appreciate about Jim Rickards is that everybody's looking to like, "What do I do? What do I do?" He tells you what to do, but he's giving you the background and the bigger picture of why you do this. It's not like, "Okay, just liquidate some stocks. The reason why is because dah, dah, dah, dah. You want to hold cash. The reason why is because dah, dah, dah." He's got such a depth of knowledge from all his experience and all that he's done. That's what I appreciate. I appreciate him saying, "Here's what you can do, but more importantly why this is how it may play out."

Robert: His book is called *The New Great Depression*. His website is [jamesrickardsproject.com](http://jamesrickardsproject.com). Please read his books because he talked about every 1,500 years, there's this major, major thing that happens. We're at 1,500 years right now. That's why if you think happy days are here again, I think you're sorely going to be disappointed. Anyway, with that, the best thing to do right now is prepare for the future, and I would follow what Jim Rickards says.

Robert: Thank you all for listening to The Rich Dad Radio Program. Again, financial education is the best way to protect yourself from what's about taking happen, and it's coming right now. Any comments, Kim?

Kim: No, just stay tuned, and pay attention. Be aware. Just know, as Jim said, we're never going to go back to the way it was because we've got probably 30 years of a new world coming on. I don't know. Be flexible, be aware, pay attention, get educated, learn, do something.

Robert: Everybody, thank you for listening to The Rich Dad Radio Program, and good luck.