Intro: This is The Rich Dad Radio Show. The good news and bad news about money. Here's Robert Kiyosaki.

Robert: Hello, hello, hello, Robert Kiyosaki, The Rich Dad Radio Show. The good news and bad news about money. And today is a very important show for you, not only if you're a real estate person or a gold person or anything, it's really about what something is worth, what is this real value, especially in today's economy when we can't measure value anyway. And what is inflation and what is inflation mean? And I'm old enough to remember when inflation numbers were real, now they're fake. And so it's a really, really important time to listen to this program because the question is, what is something worth?

Robert: And there's an indicator called CPI, Consumer Price Index, and it's a hundred percent manipulated. I mean, they just make it what they want it to say, and everybody goes, oh. But it's a very important number because inflation, or what's called cost of living adjustments and all that, are all based upon the CPI. So if the CPI goes up, then lots of things jump in price because you have to adjust for it. So they adjust it down. And so it's really a goofy, I've never seen a more confusing time in all my years in business here. So it's a very important program. Kim is in South Carolina, at our home there.

Kim: I just want to say Robert, isn't everything manipulated these days? What I'm excited about for this show is that we're always trying to figure out the truth behind something, or what's real because everything's so fake. So hopefully I've trust today is going to be a great value because we're going to look at what's real versus what's fake.

Robert: And it's not only what's real or what's fake, is what can you say without getting taken down? I mean, I've never had, way back at Gestapo times, what is happening? So our guest today is Jason Hartman, who is a friend of friends. We're all together at George Gammon's event in Miami, which was a fabulous event. I guess George was having another one in Houston or something now. And I was just listening to him and he's out there as usual. And so it's a very important time to be paying attention, not that what we say are facts, but these are our points of view of what's going on in the economy today. So our guest today is Jason Hartman, he's the founder and CEO of the Hartman Media Company and the Hartman Foundation. And we're going to be talking about HCI. So Jason, give us a little bit of your background, but what's this HCI mean?

Jason: Sure. So thanks Robert. The HCI is a new index that I created to try and get a better handle on real estate values. And to back test them through history and then to also use the HCI, the Hartman Comparison Index to project forward what might be coming down the pike. Because as, as you've said, and Kim has said, we are in very strange times, everything is manipulated nowadays. Everything is a scam. I think people are catching on. Back in 2005, 2004, when I was giving talks at conferences and then started podcasting about 2006, you talk to people about the Federal Reserve, you talk to them about monetary policy, and very few people, even we're in tune with that. But now people are really getting it. And I think cryptocurrencies, to some extent, are responsible for that. People understand what Fiat money is now by authority. It's fake money. That's what we basically have with every currency on earth. It's all by Fiat, by authority.

Jason: And so how do we value anything in a highly manipulated, highly censored environment? Big tech companies are censoring everybody. You can't speak the truth anymore. It's like George Orwell's book, 1984. It's a very discouraging time and very disconcerting in many ways. But one thing that has a lot of data in it, and this is why communism and socialism have been a disaster every time in history and every place on earth, is because they didn't have the data of accurate price signals.

Jason: And price signals contain just a fortune, a wealth of data in them. So when any commodity in the market, whether it be a good or a service has a price, and that price is determined by hopefully a free market, if not at least a relatively free market, if we use that price signal and all the data it has behind it, like why is the price of gold what it is, why is the price of oil what it is, why is the price of Bitcoin what it is, why is the dollar valued compared to other currencies at whatever value it is? When we use all that data and we take maybe 40 of these products and services or commodities and services, and we combine them into an index and then compare that index to housing prices, we can learn a lot. And I think we can really mitigate any downside risk and possibly have a lot of upside potential by using that data.

Robert: If the numbers are accurate.

Jason: You're right. Absolutely.

Robert: And, Kim and I remember when, how did they measure the value of a rent? They basically said, if you're living in your house, what would you charge yourself rent for? That's how they got the rental value.

Jason: Yeah.

Robert: And then Kim and I come, we bought our first house together. Kim had to go to our gold depository because we didn't have a dollar. Right, Kim?

Kim: Yeah. We had been stacking silver bars in our closet, in our master bedroom, in La Jolla, California when we were pretty broke. We were buying our own personal residence up in Portland, Oregon and they said, we need $23,000 now, quick. Because our credit was so bad it's like we had to jump on this. And so yeah, I took the silver bars in grocery bags to the precious metals dealer down the street and got our $23,000.

Jason: You know, that is a great story. See if someone has been, if someone watching or listening has been saving to buy maybe their first rental property, and say they've been doing that for 10 years, no one told them they had to save their money denominated in dollars. They could have saved that money, that wealth as they accumulated it, they get paid in dollars, but they could immediately convert them to gold, silver, cryptocurrencies, oil, orange juice, rice, anything, right? They could convert them to anything. And as they stored that wealth, the question is, if it took them five years or 10 years, what was it worth vis-a-vis the dollar? Everything in life is understood. Go ahead.

Robert: Hang on, hang on. You're getting a little too complex for the Rich Dad crowd here.

Jason: Oh, come on.

Robert: Now I was watching the son's game and there was a realtor there with her husband and she had tax problems. And so as she was sitting with her accountant, this guy should go to jail I think personally. I was listening to the conversation and apparently she, because the real estate market's been going up so fast she and her husband have been buying and flipping as well as selling as a broker. So they're getting commission. So they were flipping properties and all this, but they never paid the taxes. Kim, I'm sitting there, I'm at Tomas house listening to this horror story and I'm going, and I said, holy mackerel. So her solution was she was going to flip another property.

Jason: Right.

Robert: So I said to her-

Kim: To pay for the taxes?

Robert: Yeah. And I said, you're just making it worse. And she had no idea what I was talking about. She was going to short term capital gains, was going to flip another property. And on top of that, I said, what if the market crashed? And she said the words I've been waiting to hear, real estate prices always go up.

Jason: Yeah right.

Robert: Kim remember those words?

Kim: I do remember those words. And that's why, that's why Jason, I like this index that you're doing because everybody says, oh, the prices are through the roof and they're this or that, and they're so inflated. But you're saying maybe not, because let's compare it to real goods and services and see exactly where they do stand. Not just opinions. Everybody is on opinions today. Everybody, very few facts out there.

Jason: A lot of opinions with little data. Right, Kim?

Kim: Yeah. Yeah.

Jason: Couldn't agree more.

Robert: The data is accurate. That's my other bitch.

Jason: Yeah. That's a huge thing.

Robert: But understand how bad it is. If somebody is afraid, should it give you a true data? Because they might get de-platformed. This whole thing, that's like that woman, that realtor with her husband with the CPA going to flip her way out of a tax problem. Are you kidding me?

Jason: Yeah. I think it was your book, Robert, Who Took My Money? Where you gave the comparison of the dairy farmer versus the cattle rancher, I believe.

Robert: Yeah.

Jason: And the flippers are the cattle ranchers. Right? But some, at some point that game of musical chairs ends and those prices don't go up and the flipping doesn't always work. Right? So, yeah. Better to be a cashflow investor.

Kim: How did you get into this, Jason? What's your background?

Jason: Into real estate in general?

Kim: Yeah, into everything you're doing these days. And tell us what you're doing these days.

Jason: I grew up poor. I lived in Los Angeles. I had a single mom. It was a struggle for sure. And I saw an infomercial when I was 16 years old of a guru. This was before the Kiyosaki era. And I got his book and I read three chapters and put it down and my mom read the rest. And about two years later she said, I've been checking out these real estate seminars, there's one in Anaheim, why don't you go? And so I went and that really inspired me to get my real estate license to just kind of learn the basics and the business. And six months into my career, I was 20, I bought my first rental property from a client of mine. Yeah. So it's been a great ride.

Robert: Who was the guru in those days, there was a lot of them?

Jason: Oh that was Robert Allen.

Robert: Yeah.

Jason: Back in the old days.

Kim: We read that book. Yep.

Robert: That was really the good old days.

Kim: A book can change your life. A book can change your life.

Jason: Yeah, absolutely. I mean, look at Rich Dad, Poor Dad has changed millions and millions of lives. I mean the first time I heard about Rich Dad, Poor Dad was when I was in Australia. I was on a trip for a couple of weeks in Australia. And my friend and I that were cruising around Australia met a couple and he mentioned Rich Dad, Poor Dad. I'd never heard of it before. And this was in 1999, I think.

Robert: So explain the Hartman Commodity Index.

Jason: So the Comparison Index is basically a, it's all about comparison, for example. How do you know anything without comparison? If you have a rich dad and a poor dad, you have an understanding of two schools of thought, right? And I think we do that with pretty much everything in life, Robert. We compare things and that's how we value things. And so if you compare the price of real estate to this basket of commodities and services, I think you can really determine a lot by it. So let's take gold, for example.

Robert: Wait a minute, so is that what the HCI does? Hartman Commodity Index?

Jason: Yeah. It compares, yeah.

Robert: So I'm going to help you. How does somebody access it?

Jason: Well, they're accessing it right now, for example. And we've got a white paper on it that we're happy to share and you can get that through my website.

Kim: What's your website? Where do they go?

Jason: jasonhartman.com. Just my name, yeah.

Robert: And specifically what happens when they go on there and they have a two bedroom, one bath and po dunk. Can they compare that with gold? What is the comparison?

Jason: Yeah. Well, the comparison is like this in the index. So if you go back to say 1970, when we were still on the gold standard before Nixon took us off, the median price house was $22,000 and change. And back then gold was 35 bucks. So if you wanted to buy the median price house in gold, it would take 646 ounces of gold. Today, the median house price is about 348,000, give or take, depending on what index you're listening to. Gold is about almost $1,800. So today to buy that house, it would only take 194 ounces of gold.

Robert: What was the 1970 comparison?

Jason: 646. So today it's less than a third. It's cheaper priced in gold.

Robert: Wow.

Jason: Isn't that, isn't that cool? Yeah.

Robert: That is really cool. Hey, we're going to go to a break right now, but I want everybody to stay tuned because it's really important today we have some kind of basis, what I call benchmark, as to what something's worth. So we'll be right back.

Robert: Welcome back. Robert Kiyosaki, The Rich Dad Radio Show, the good news and bad news about money. You can listen to the Rich Dad radio program anytime, anywhere on iTunes, Android, or YouTube. And all of our programs are archived richdadradio.com. We archive them so that you can listen to this program again, because being in the business of education, we don't sell anything. We make no recommendations. We don't say buy this, do that. We're not financial planners.

Robert: But the reason we want you to go back to richdadradio.com, you've listened to this program one more time you'll pick up twice as much, but not only that, if you sit to have your friends, family, and business associates listen to it, and then you discuss it, you'll find your capacity to learn explodes. So today our guest is Jason Hartman, he's the founder and CEO of Hartman Media, and he and Kenny and George Gammon have started some kind of fun. I have no idea what you guys, guys always creating things out there. But it's exciting because he has created the Hartman Commodity Index and it's to compare what makes sense to everything else.

Sara: Hartman Comparison Index.

Robert: Oh, Comparison. I got Commodities on my mind.

Sara: You're comparing to commodities but, one more time.

Robert: Sara, producer here, what question do you want from Jason?

Sara: So we left off at the first segment and we just learned that the average price of a home is 348,000. And that would only take 194 ounces of gold compared to in 1970 it was much higher. It was 600 something ounces. So I would like to know, what does that mean to the average consumer? Why do I care about that?

Robert: Kim, what do you think about this? I mean, why is this important to you? Because as an investor, why do you want to know the comparisons of things?

Kim: I want to know what's for, so for example, I think you kind of said it, Jason is, most people will think you have told hold cash. You have to buy properties and cash, but there's other places you could put your money where the value of that money could increase dramatically. And then your worth is more so prices come down actually, if you can do that.

Jason: Yeah, absolutely.

Robert: And it's interesting you say that Jason, because I was at the sushi bar at AJs market and I was talking to one of the girls, these two girls, they're escapees or people from Myanmar. They ran away from there. And the immigrants, they're busting their butts. I said, how many days a week do you work? She says, seven days a week. And so I said, why? She said, because I got to buy a house. And all I wanted to say was, God, it's kind of the top of the market. But I didn't to dampen the dream. Just working. You know how immigrants, like when the Vietnamese came, they never stopped working.

Jason: They work hard.

Robert: And they saved up and they bought real estate or gold. So anyway, that's why your Hartman Comparison Index is a crucial thing for, I should take it to that sushi girl.

Jason: There you go. There you go. Exactly. And Robert and Kim, it depends where, right? There are three basic types of markets in the United States, or around the world, linear markets, cyclical markets, and hybrid markets. And they do act differently. The high-flying markets along the west coast, and the expensive Northeast, and where I am in south Florida, those markets are getting pretty frothy for sure. But the good linear markets in the Midwest and the Southeast that aren't that expensive, I would argue that they're still pretty cheap priced in a lot of things when compared to a lot of things.

Jason: So you were asking, what does this mean to people? What do I do with this information? And we only took one commodity so far, just gold, but it means two things. One is that it tells you, it informs you of how you might want to save your money or store your wealth. Do you want to store it in dollars that are constantly being debased by the government and the federal reserve because they're just printing more? I mean, there's two things that value everything on earth, scarcity and utility. If something is scarce, it's going to have more value. And if something is useful, it's going to have more value.

Robert: Or more [inaudible 00:18:08]. Taxes and political influence.

Jason: Right. Yeah. Well, yes. Absolutely, absolutely, no question. And so gold is scarce and it does have value in the sense that it's been considered money for 5,000 years. So if you stored your wealth in gold, rather than dollars, you would have been better off during this time because the pricing power, or the purchasing power of the dollar, has declined dramatically and gold hasn't. Okay. So it's cheaper to buy a house in gold today, but more expensive to buy it in dollars. Right? So that informs that question. How should you store your wealth? The other question it informs is, what's next for the market? Is the market too expensive? Well, if you only think of things in dollars, then yeah, you're going to say, hey, it looks pretty expensive. But if you think of things compared to a whole variety of other commodities, you might say it's cheap. It depends on the commodity you're comparing to.

Robert: But it also depends upon the mass migrations right now. I've never seen. These are like the wildebeests going across Africa. Right? So Kim, we just invested in oil, so why do we invest in oil?

Kim: Well, one of the reasons is, well, several reasons, but of course, tax consequences is great. Taxes are great.

Robert: You save money by not paying taxes.

Kim: And also we're kind of on the inside of these deals. We're not buying oil shares and we know the operators. So I feel more solid that way. But I wanted to ask Jason, you talk about, and we've talked about gold and silver and we'll come, I want to compare it to oil also. But why is it people are so hesitant to part with their dollars? They like want to hoard their dollars? Why are they doing that?

Jason: Kim, that's a great question. And I would argue that they're just brainwashed. Dollars, I mean, what real use does a dollar have? Think about it? It's a piece of, well, not exactly paper, but it's like cotton fibers, or whatever it is, and with pictures of dead presidents. And the value of it is constantly being debased. I think Robert has these too. I think he was holding these up as if I recall correctly. One of my podcasts listeners sent me Zimbabwe dollars, right? This is a hundred trillions Zimbabwe dollars right here. But what's the value of it? It's just a little collectible. It has no value. Right? And so the name of something is not the same as the value of something. And so dollars we only care what it buys us.

Robert: So how does the Hartman Comparison Index work? I mean, how do you gather your information? Because everything's in flux. Wait, I'll ask before we go into that, how does oil compare to gold?

Kim: Yeah, talk about oil.

Jason: Yeah. Oil is an interesting one, Robert, because I would argue that oil is-

Kim: It fluctuates so much, the oil prices.

Jason: It does, no question. But if you look at it over a long period of time, those fluctuations start to even out. Okay. And then it becomes more accurate. And this is why you can't just compare it to one commodity, right? Everybody just compares housing prices to dollars. That's all they do. Why not compare it to a whole bunch of things that every human needs? And oil runs the world, it's the most important commodity on earth.

Jason: So in 1970 oil was only $3 a barrel. If you can believe that. $3 a barrel. And if you wanted to buy the median price house, back in 1970, it was $22,600. You would take, you would need to bring the seller 6746 barrels of oil, a lot of oil, right? And today you still need to bring them a lot of oil. The median house price now, as of June, is 348,000. And oil was $75 a barrel at the time. So today you only need to bring that seller 4622 barrels of oil. So priced in oil, houses are cheaper. Priced in gold, houses are cheaper than they were 51 years ago. That's amazing.

Robert: But the reason I always kick in there is because we have the cashflow quadrant, ESP and the I.

Jason: I love that.

Robert: Our oil, we don't pay tax on the oil.

Jason: Right.

Robert: So that, I mean, it cuts down. I mean, oil is the most efficient thing that we can use to make money and so last week, just last week we bought another share of on oil well. Not because we like the price of oil, but because we don't have to pay tax.

Jason: Yeah.

Robert: Do you know what I mean? And that's really what Rich Dad's stands for, is we keep it as simple as possible. So your Hartman Comparison Index is interesting, and there's a whole nother degree you can take beyond that. It's like I give Gammon and a whole bunch of George Alegre and Peter Schiff and Mike Malone. It's like, why you guys living in Puerto Rico?

Jason: Yeah. Oh, yuck. Yeah. A lot of my friends have moved there, including Mark Moss, of course, that we both are friends with.

Robert: Why? Well you don't have to pay tax anyway.

Jason: Right, right.

Robert: We want to educate and enlighten people on tax.

Jason: Yeah. Robert, I'm curious, are you doing oil and gas exploration?

Robert: Hang on. This is not, we're not an education program here. But Kim, explain how that works with us.

Kim: How what works?

Robert: The oil and gas stuff.

Kim: So the oil and gas we get, we get is the tax code is, Tom Wheelwright says it's a book of incentives. And so, because the government doesn't want to go into oil production, we get incentives if we fund oil production. So we get major tax write-offs as a result.

Robert: So what we do is, let's say I put a million dollars into oil expiration, we got 400,000 back.

Jason: Wow, incredible.

Robert: You think about that. So that's what Rich Dad, Rich Dad's more on the B and the I side than the E and S side. But our job was to make it simple as possible. So your index is really good, but I, and the sad thing about is like us talking about that real estate broker who was flipping houses now she has a tax problem so she's going to flip some more. And then the two refugees from Myanmar they're going to work seven days a week and they're saving cash.

Jason: Yeah.

Robert: It's really interesting. And I wish people were listening to this. Any comments on that Kim?

Kim: Yeah. And to the point on the oil and taxes. We still have to do a lot of searching to find a good oil deal. We're never going to just do a deal for the tax incentives alone. It's got to, that oil deal has to make sense and make financial sense and be a nice cashflow to our bottom line. But what I liked Jason too about your comparison index, the Hartman Comparison Index, I think more importantly what you're teaching people is where do you store your money? Where do you store your wealth? Where do you store your value of what you have? I think that's crucial. And because everybody is trained to hold dollars and pesos and yuan and all of that, but this is, I think that's probably the most valuable lesson of all.

Jason: It's true. Because if you would have stored it in oil or gold, you would have been much better off in dollars.

Robert: Correct. And taxes.

Jason: Yeah. And tax wise. That's another big benefit of course.

Robert: And political incentives. That's why those guys like Gammon down in Puerto Rico. I say, you don't have to pay a tax. Well we don't pay tax here anyway. But anyway, the thing I like about what you're doing, Jason, is getting people to think. That is the most important thing you can do today is think, compare, look at different, how you do this? How do people do that? But most people, when we were in Miami together with George Gammon, this girl comes out to me. She says, should I buy a real estate? And I lost it. I've been here, I've been in this business too long. Jason. I said, holy mackerel. I mean, you know they have this teacher, please tell me what to do.

Jason: Right. Instead of think it through yourself, you mean, right?

Robert: Think is the hardest work there is. That's why so few people engage in it.

Jason: Yeah. That's Earl Nightingale, I think it was. He used to say that. Yeah.

Robert: Well I'm glad you're getting people to think.

Jason: Yeah.

Robert: Not giving them answers. It's a very big difference.

Jason: Yeah.

Kim: Another question I have is, because we didn't talk about inflation or deflation, but inflation and deflation is only measured in a currency, right? In a fiat currency. It's not measured in real value of goods and services.

Jason: Yeah. Yep. I agree. But it is measured in the sense that we lose purchasing power of those goods and services, which is sad. That's how they're impoverishing the population in concentrating wealth among the super rich through debasing the dollars. Because poor people, and people that don't listen to your show and don't read the Rich Dad books, they don't understand how to store their wealth, how to store their hard earned labor, which is really what you're doing. You're trading your labor. I mean, if you're at the, if you're at the E part of the quadrant, right. You're trading your labor for dollars, which is not the best way, but that's what most people do. And then they get taxed at the highest rate and then they store it in dollars in the Fed, and the government is stealing out from under. Inflation as a pickpocket. It's a thief.

Robert: Well, that's exactly what Buffet said is, one of the greatest punishments there is is inflation. Inflation is very simple is volume times velocity. So they're printing as much money as possible and they're speeding up the spending of it. So that's why John Williams shadow stats was saying, it's not 15%. So that means mom and pop, or the girl working cutting ups sushi, whatever she's doing, she's falling behind at such high rate of speed.

Jason: It's terrible. Yeah.

Kim: So let me ask again, Robert, you said it's so inflation is measured in volume and velocity. So the more money is being printed and then they're spending it like crazy with all these stimulus programs and everything. So that's like a perfect storm for inflation, is that what you're saying?

Robert: Yes. And that's what George Gammon's last thing was on the repo and reverse repo markets. He's very simply saying is that because the thing was deflating they had to inflate the volume and inject it directly via stimulus straight to the market. Generally they have to go through the banks to borrow money. So Kim and I had our advantage because we could borrow money. But people couldn't borrow money anymore so they print the trillions and they inject it via stimi checks. And then the Robinhood and Bitcoin takes off and all this stuff goes crazy. So the reason, Jason, I was really happy to have you come on because a Hartman Commodity Indexes, we're in a mania right now.

Jason: We are.

Robert: We've never been here in all the history of the United States. We have never been here before. And so what your index is doing is giving people just some comparison so you can figure out what's going up and what's coming down.

Jason: Understand where you are. Yeah. We are in a mania and people in manias, Robert, they just lose their head. They just get so, they're so afraid of loss, that fear of loss drives them to make bad decisions.

Robert: FOMO and greed. You're missing out on greed. You know the thing that was funny was a tulip of mania. That's one of the funniest things I ever read was that there were two pumps going through the roof, you know? And the funniest thing I ever read was this one person comes in from overseas and they didn't know it was a tulip bulb and ate it.

Jason: Wonder how that turned out.

Kim: Jason, in terms of your index and all, because you study a lot and you do a lot of research. What do you see coming down the pipe? What's your crystal ball say?

Jason: You know, Kim, the crystal ball is a tough one, but I would say that I think we've got a ways to go on the real estate market. I think it's cooling a bit. People are taking a little bit of a breather right now, I think. That's just a very new thing so it's hard to say if that'll continue. But I think overall the real estate prices are going to hold up for another year or two pretty well. The stock market, I don't know. And the economy itself is built on a house of cards. The whole thing is largely fake, but the question is, will it crash someday? Of course it will. But how long can they kick the can down the road when you're the, when you got the biggest military on earth and you're the biggest country, the biggest economy, and you can kick that can down the road a long time when you've got that reserve currency status. There's a lot of games that the US can benefit from that they play.

Robert: Jason, I just listened to my friend Jim Records. This is like just waiting for that last snowflake.

Jason: Right, yeah.

Robert: [crosstalk 00:31:58].

Jason: That last little bit.

Robert: Anyway, it could be with that next piece of sushi that girl cuts.

Jason: Yeah. Could be.

Robert: Anyway, thank you for doing what you do. How do people access your Hartman Comparison Index?

Jason: They can just go to my website, jasonhartman.com. And I've also got a little free mini book for your listeners. I did a bunch of stuff with Ken McElroy on pandemic investing and so that's available pandemicinvesting.com. Just some of these principles as they apply to this crazy world that they've spiraled the entire planet into within, that's maybe a whole nother discussion. But there's just a free little book at pandemicinvesting.com as well.

Robert: Thank you. Thank you. Thank you. When we come back we'll be coming with the last word, so Jason, thank you very much. And Kim and I will stay on for the final word with Sara.

Jason: Thank you.

Kim: Thank you Jason. Take care.

Robert: Welcome back. Robert Kiyosaki, The Rich Dad Radio Show, the good news and bad news about money. Special thanks to Jason Hartman and his Hartman Media Group and jasonhartman.com. But most importantly, his Hartman Comparison Index because it really forces you to think outside the box from just money and all this. Because that's all Kim and I do is we're always comparing what's going up, what's coming down and things like this. And generally the dollar has been going down as far as I'm concerned. Any comments on that, Kim?

Kim: Yeah, I thought this was really interesting because I met Jason and he talked about his index before, but I never realized how valuable it is in terms of the value of where you're storing your money. Where do you store your money, where it gets the most value. And yeah, you and I have been storing it in silver since we first met and gold.

Robert: And oil.

Kim: And oil and real estate and everything that I can touch, we can touch and feel that is real.

Robert: This is the star. We get her pretty face on to the program.

Kim: You got to give her a face because people actually recognize you by voice. It's funny, we're at an event and they're like, I know that voice you're on the radio show.

Sara: That's right. So now you get to see my lovely face.

Robert: That's right. And she's the best, man. I don't where we find you, but you're the best. Anyway keeps the ball moving. And we've got to get Tom Wheelright on to explain taxes, especially to all those yo-yos living in Puerto Rico.

Kim: So Sarah, what did you take away from Jason's interview today?

Sara: So I think like you, the biggest takeaway was so what, right? So who cares if I compare the price of houses to gold? But I think the important thing for me was, well, how are you storing your wealth? Because as the dollar is losing value, these other commodities that you can compare it to you can see the value of your dollar going down. But these commodities are holding still or even rising in value.

Robert: Yeah. And the most important thing is just pay attention because it's changing so, so fast. For instance, George Gammon, he had this incredible podcast upon the repo market and reverse repo. And if you don't understand that you go, oh my God. Basically what's happening is people can't go to the banks anymore, commercial banks, so the Fed and the Treasury have to inject money directly into the economy, directly. Those are those stimi checks, which sends a stock market into a bubble, which means you don't know exactly, as Jason says, what's price discovery? What's it really worth? Where's that money coming from? So the reason the Hartman Comparison Index is so important today is because we don't know what anything's worth anymore. So it's like you just watching kind of these bobbing balls going up and down on the ocean.

Robert: And I feel most young women from Myanmar, who escape Myanmar to be working at a sushi bar, working seven days a week, saving cash to buy a house. I'm going, and she says, what do you think? I said, I didn't want to say anything because I don't know what to think. And then the real estate agent who has been making money on commissions and flipping houses is not paying taxes. So her solution is she's going to flip more houses, I'm going, my God, this is nuts. This is like tulip mania where the guy ate the tulip.

Sara: So I have a question because we've talked briefly in our trip to Miami about the CPI, the Consumer Price Index. Why is that? Why is that not a good index or indicator of what's happening?

Robert: The numbers are fake.

Kim: They keep changing what's in it, number one. And then the pricing and all is not quite accurate. Now, one thing about the CPI, the consumer price index, that I learned recently is the government wants that number to be low because they have a lot of debt to pay back. And if that number is low, it's cheaper for them to pay back their debt if they ever pay it back, really. But it is cheaper for government if that index is low. So if they can manipulate it to keep the CPI, the consumer price index low, it benefits government.

Robert: Well, it's not only that, is that if they raise the CPI, Kim and I make more money. Because a lot of our properties are indexed to inflation.

Kim: Yeah, a lot of people have properties indexed to inflation and the CPI. Yep.

Robert: So, right now, if the national debt is 30 trillion and it goes to a 5%, how much is that? 1.5 trillion in interest payments alone. That blows out the whole gross domestic product.

Sara: And I think I heard this morning that inflation they're expecting to hit 7% in the next year.

Robert: There's a guy, John Williams, of shadow stats. He's great because his, I love his stats, shadowstats.com. He says it's 15% right now.

Sara: Wow.

Robert: But he uses the measures before Nixon took us off the gold standard. So as long as the dollar was on the gold standard, there wasn't much, not that it wasn't much inflation, but there was, it was production. It was a true market. But what happens after they took the gold off the gold standard, this is in the 71, I remember going to my favorite Chinese restaurant in Hawaii and that menu would be whited out every day because the price of chow fun or chow mein was going up every day, and it went out of control. And that's when this guy Volcker came in and just crushed it. Went to 25% interest rates or something like that, and that crushed the real estate market. And so Kim and I made a fortune because they crushed it, they crushed, the real estate market prices, crashed, interest rates were high and Kim and I would go and negotiate directly with the seller.

You bypassed everybody. And there were these things called, what were they called? What?

Kim: The RTC. Oh no qualifying.

Robert: Unqualifying loans. And so we'll look for this loans at 8% when interest rates were at 20%. So we'd find a guy with a house with an 8% loan on it and that's how we made our money. We just bought all these houses with 8% loans. We had no money, but there were so desperate to get out they're happy with it. Yeah, we'll take over your loan for you because we could rent it for more than the price of the loan.

Kim: And that's-

Robert: There's always an opportunity.

Kim: Whoops, sorry. And that's to your point, Robert people have to start thinking. They have to start thinking. There's other ways to do it then just go to a traditional bank and get a traditional loan. There's a lot of ways to, very creative ways to finance things these days.

Robert: Yeah.

Sara: One last question though, because we're seeing the forbearance, that program is going to end July 31st, I think.

Kim: We hope so. We hope so.

Sara: So could that same scenario happen where these people might've had five or 6% loan, they can't catch up on their payments so they're going to find people who will buy it, you know? Is that a potential?

Kim: Yeah, they're definitely. There's a big potential for a lot of properties to come on the market once the forbearance is lifted. Absolutely.

Robert: So Kim, Tim Tanner, our friend?

Kim: Yeah.

Robert: We bought our Pason house from, he called me, he says there's a huge boy scout camp for sale up there. And I said, I'm out. He goes, why? I said, because I don't know, this is the top of the market.

Kim: Yeah.

Robert: I don't go in at tops. And he said, what else you got? He says, I have this guy who can build a house for half price because of a new construction system. So I'm meeting with him, Spencer and I are meeting with him on Friday because new technology is going to bring the advances. So we're not, we're not doom and gloomers, we're just saying, be aware of what's happening. And as there's changes and people are hemorrhaging all over the place, it's always a good time to get rich too. So that's why, what Jason was talking about, his comparison in this and all that, it's a matter of just being aware.

Kim: Yep, good.

Robert: Any final comments there Sara?

Sara: No, another great show. And I'm glad we had this extra time at the end to really discuss the opportunity. Because like you said, there's always an opportunity, it's just being aware of what those are.

Robert: Yeah. I'm not going to buy a boy scout camp because what would I do with it at the top of a market? But if somebody has a technology can do more for less, I'm interested.

Kim: Unless if that boy scout camp is going into foreclosure or something else and they have a desperate seller, then there might be an opportunity. So you never know, you never know. So again, thank you to Jason Hartman, jasonhartman.com. Thank you, Sara. Thank you, Robert.

Sara: Thank you, Kim.

Robert: And thank you everybody for listening to The Rich Dad Radio Show.