

- Speaker 1: This is The Rich Dad Radio Show: the good news and bad news about money. Here's Robert Kiyosaki.
- Robert: Hello. Hello. Hello. Hello. Robert Kiyosaki, the Rich Dad Radio Show. The good news and bad news about money. I tell you what. We have very, very special guest. This guy is infamous, and he is the author of Confessions of a Wall Street Whiz Kid, and his name is Peter Grandich. And Peter, I must confess, I did not read the book, because I don't go onto Wall Street. I stay away from that place. So anyway, welcome to the program. I love your work. I love what you have to say. I was watching you and Daniela Cambone, and it was a great interview. And the definition of intelligence is, "If you agree with me, you're intelligent." So, you're a very intelligent man.
- Peter: Well, as I was telling you before we started, and I've been around a lot of people; I worked with professional athletes for 20 years, some very famous ones. But this is a real honor. You represent it a way that I learned 20 years ago, is the only real way of success in finance, and that's cashflow. Even though Wall Street trains all their people to chase net worth. So, it's truly... I don't get that many honored pleasures anymore at this point in the twilight of my career, but speaking to both of you is one of them.
- Robert: Well, thank you.
- Kim: Wow, that so nice. Thank you.
- Robert: And you're from Jersey, and Kim is from Jersey.
- Kim: I'm a Jersey girl. I'm a Jersey girl. If you get me going, I'm going to talk and walk, and I'm going to have my coffee, and I'll do all that. But it's really an honor to have you Peter, because you have such a wealth of information, and kind of the inside scoop on Wall Street. And we're always here, at Rich Dad, we're just trying to find the truth of what's really happening in the world, and especially around money and investments. So, really an honor to have you on this show. Looking forward to it.
- Peter: Thank you.
- Robert: The starting question is, "Why did you write the book Confessions of a Former Wall Street Whiz Kid?" What was the motivation?
- Peter: Well, it wasn't for dollars and cents. It was actually a person that was working for me. It was an unusual story, Robert; it's so long. I'll try to make it in two minutes or less. I didn't even finish high school. And I married a girl from Ireland, even though I wasn't Irish; I was married there. We got a small dowry. I was working as a warehouse manager, turned \$7,000 into \$100,000, only to lose it through a penny stock broker back in the early 1980s.

Robert: Yeah, yeah, yeah, yeah.

Peter: And that's really what led me to enter Wall Street. And then, of course, within four years of being there, I made this forecast back in '87 of a crash, and a subsequent rally. And it put me on a national prominence. The Business Editor of Good Morning America gave me this moniker called The Wall Street Whiz Kid. And a lot of people liked interviewing me, because most of the guys and gals they were interviewing were Wharton school and all of that. Here was a kid that didn't even get past 10th grade. So, the story evolved; I made and lost millions, not once, but twice. I suffered dramatic bouts of depression, to where I was hospitalized and lost will to live. I was somewhat of a living legend in my own mind, and I was turning the Ten Commandments into the Ten Suggestions.

Peter: So, I was married to a wonderful girl in Ireland, who was a devout Catholic Christian from day one, and I was more of a CE Catholic. And so, those battles came, and I got into my faith at the turn in the millennium. And by the time the first edition was written in 2011, I was working with professional athletes. I had a lot of things happening, and it seemed like it was good to put it in a book. And we just completed and hopefully the last, the fifth edition of it, because I had to leave the sports business because of what happened with all the social stuff a year ago. But it really was never written for, and it's proven that by the people that respond to it, for profit. And it's really been a way of telling a story, an unusual story, that you normally don't hear on Wall Street, I guess.

Robert: Right.

Kim: And I like that you lost a lot of money in this penny stock deal, but that was your motivation to get educated, and to start getting into investments, and into the stock market.

Peter: It's funny you say that, because I got over the actual financial loss quickly, but once I worked in the business, and I realized how they did it to me, that made me more aggravated than any amount of money that was lost. So, that was a learning education, to say the least.

Kim: That's great. Wow. Yeah.

Robert: As I said, the definition of intelligence, "If you agree with me, you're intelligent." And when Kim and I got into... We were in the Vancouver Stock Exchange, and we migrated to the Toronto, but we're all resource-based: gold, silver, and oil. And once I understood how Wall Street worked, it kind of confirmed my whole bias. I said, "I'd better stay with what I know, rather than go into the den of vipers out there." So, that was our point of view, right?

Kim: Yeah. Absolutely. And listening to some of your interviews, Peter, I know that you like gold, you like cash, and you like-

- Robert: We do, too.
- Kim: And you like uranium. Can you kind of explain your thinking on all of that?
- Peter: Sure. So it was interesting when I was blessed with the offer to come on your show, when I read where Robert's and yours latest thoughts were, were almost identical. And what greatly concerns me now is, I find a lot of people working, first of all, statistically wise, almost half of the people licensed to give financial advice these days have only been practicing since the last financial crisis, and less than a third since before the new millennium. And I like to describe it as they basically learned to drive on a one-way street. That's what it's been for them. But when you say to anybody, including such successful people as yourselves, and say, "Can you remember that first time after you learned how to drive, when you got to your first traffic circle? You panicked. You didn't know what to do."
- Peter: And I'm afraid that's going to be part of the ingredients when the inevitable downturn comes. It's just that this downturn is going to come out of what I think, and I may be singing to the choir, is the biggest financial bubble of all time. And so I think between the lack of professional experience to handle it, the tremendous trouble socially, politically, and economically in America; I don't believe America's been more divided than possibly before the Civil War. All the ingredients that might have saved us the last time there was a shop drop in the market, I don't think are going to be there.
- Peter: And that's why I think only alternative things like gold. I was very bullish on uranium, and cash, which seems to be a dirty four-letter word on the Main street and Wall Street. But I think those things are appropriate here. And if I may add one last thing; the amount of internet gurus that got born in the last 18 months, and they have these audiences, and they're putting them right onto these financial networks and all; the difficulty there is, just before that, probably their biggest mathematical problem they ever had was a few years ago in high school.
- Peter: So, I don't see them with the experience to understand what they've gotten into, and what the ramifications are. So there's a lot of reasons to be extremely cautious and bearish. And there's very, very few reasons to be optimistic and bullish, especially when the perception of Wall Street in where it sees America, and where about 90 something percent of people are really at; the discrepancy is too wide, and I just don't see the bottom catching up to the top. I see the top coming back to the bottom.
- Robert: Right. You shared a similar thing with me, is that being Baby Boomers, that Baby Boomers have only known an upmarket. And now the end is near, they're starting to retire out, just as the market is topping. China's coming down. We have trouble in Europe. And I wrote a book called... What was the name of that book? Oh, Who Stole My Pension? And I'm going... I'm just watching this whole thing going, "What's going to

happen to the Boomers? Because they actually had it the easiest of any generation I've ever seen." You know?

Peter: Yeah, Robert. And the difficulty is, is that they've grown accustomed to a lifestyle-

Robert: Correct.

Peter: ... that basically the fed helped destroy.

Robert: Correct.

Peter: And that was, by this point, they could move more to a fixed income type investments, and kind of preserve the principle. Well, the Federal Reserve destroyed the fixed income market. It is nothing compared to what it was, certainly over the years that we've been around and all. And they've had to resort to, in order to maintain a lifestyle, tremendous more risk of principle.

Peter: When you think about it, just six months ago, a 10-year paying 1%, 1.5%, you already knew inflation was 3%, 4%, and 5%. The math just doesn't work to want to go put money in at that level. Yet, there were guys and gals on these networks telling that bonds are phenomenal, and so forth and so on. And they're going to actually see principle losses in things that weren't supposed to lose principle. And that's just going to be one of the many issues that I think coming down the road here. And whether, Robert, it happens in October or February of next year, I think it's going to happen. And too many people are not going to be prepared for it, and suffer the consequences.

Robert: Yeah. How many Baby Boomers are all over the world who are counting on... The general financial planning shtick is, "You ride it up on stocks, and you shift to bonds for fixed income." You know what I mean? They rode up on stocks, but there's no bonds; bonds are performing less than inflation.

Peter: And the other difficulty is, normally you hope that the generation that's taking over where you left off has done better, is more wealthier, they're able to absorb that. That's not the case, now, we're finding. That's why so many parents and grandparents see their kids living back with them at 35 years old, because it's really a struggle. It's a very small percentage of people who have benefited over the last few years, at a time when the insanity of monetary harrowing, which is another subject, just when you think about 40% of all the money in existence in the US has been created in the last 18 months. And people want to say, "How can there be inflation?" Well, when you have so much money, and so fewer goods, that's historically the textbook to how inflation gets going.

Robert: Well, I just met one of those Bitcoin billionaires. I think he's 29 or something; and he's buying McLarens and Ferraris and all this. And I'm going, "Good luck, George." All they

know is being rich by being lucky. And they don't have the pain yet to understand that that McLaren is expensive.

Peter: I've always said that the difference in our generation, and the generation now, is our parents, and even us, when we were younger, we went in and asked, "Can we really afford this?" Now they ask, "Can we make the payment?" And it's become a lifestyle. I still find seven or eight out of 10 families, even with professional athletes that were making tens of millions of dollars, were living above truly what their finances supported. And that worked, especially when interest rates kept going lower and lower, and everybody was able to refi and keep their life going. But that ship has sailed. And they're in for a rude awakening.

Robert: Right.

Kim: So, Peter, there's so many different factors; and the stock market's propped up, and the economy is propped up. What are the indicators that's going to see this crash? What do we want to pay attention to?

Peter: I think the single biggest one has come out in the last couple weeks. And very few people have spoken about it. And excuse me if you have; you might have, and I didn't know it. But to know that Federal Reserve Members, including the Chairman, were actively buying and selling stocks-

Robert: Insider trading.

Peter: ... while they were making their decisions, that no group in the whole world combined, has more of an influence on where stocks may or may, and bonds may or may-

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Peter: Has more of an influence on where stocks and bonds may or may not go than them. So I can't imagine, and put yourself in a place, if I have a lot of my personal wealth in a market, and now I have to make a decision that supposedly is going to impact that market to a negative, do I think twice or I just do it and don't care about my own personal investments? That, I think, when everything looks back, and they will, historians will look back and they'll point to this, that and that, and we should have known better in this. I believe that's going to be one of the biggest points that people are going to say, "Boy, that was really something that stood out and a lot of people didn't notice it."

Robert: If I could say that I was just with Ron Paul in Dallas. And he was talking about, the constitution is no good if our leaders are crooked. And there is so much truth. He says they should all read the 10 commandments, or when they put their hand on the Bible, they don't even know what it is.

- Peter: Well, that's another issue, Robert. And if I may, because I came here to be, as I try to be always, open and honest. Everything for me, I wear my Catholic Christian faith on my arm. And everything to me is, you can attack, and [inaudible 00:13:14] were tearing down statues, were claiming this person was no good. But for some reason, the Judeo-Christian way that America used to be for the first 200 or so hundred years, with all its negatives, still was by far the best place to live and helped more people than all other civilizations. And I don't think it's a coincidence that moving away from that and moving away from the constitution and the bill of rights and all that stuff is now coming back to bite us.
- Peter: And when you combine that with the way Wall Street has, in a sense, embraced just dollars versus anything of reality, more than ever before, far more than when I started in the business, it's a recipe for disaster. And it's only a question of when, not if. I don't try to pick the month and the date, but I know that we're far closer to it than away from it.
- Robert: Thank you for saying that because legal, ethical and moral are not out of style, but they are today. And that's when I was talking to Ron Paul. We're just disturbed that the fed is doing insider trading. And he's been saying for years, and the fed and things like this. I've been saying it. I called the fed the wizard of Oz. And the average person insisted, oh, don't fight the fed. Don't fight the fed. I'm going, "My God, don't you guys know anything?"
- Peter: Well, praise be to God for Ron. And praise be to God for his son. His son has been one of the few outspoken people still in the Senate, and trying to restore or look at. And nothing more than what's happened with COVID and Fauci and all these things that are transpired there and all. And what amazes me is no one talks about, hey, you had lockdowns, you stopped people here and around the world from working, and now you wonder why are there shortages and why we can't get certain supplies and all. Didn't any of you even think about that when you thought about that? And that goes back to the problems both politically, socially, and economically, to me, have never and worse in America's era than they are now.
- Kim: Do you see, Peter, a turning point in this, in terms of, is it going to get worse? Is it going to get better? What is your take on it?
- Peter: Well, a lot of what's left of my friends, because a lot of people don't like to hear what I have to say, say to me, I hope you're wrong, but I kind of know you're right. And I do. I kind of hope that I do have to go out and go, wow, somehow this turned and the top something percent were correct than the bottom 90%. But one thing I had never seen in the study, and what I've done, a history of Wall Street in almost the 40 years I've been. And tell me if you ever heard it. I've never seen when Wall Street's gotten so caught up and got the general public so involved, whether it was mortgages, back in 2008, the internet and the stories they were given to justify why internet stocks were worthy. I've

never seen when Wall Street got so involved in something that the last sentence to describe that story is, and the general public lived happily ever after. They just don't. They just don't. And, Sir John Templeton said it right, many years ago, "The four words you don't want to hear if you're an investor is, this time it's different. Because it never is."

Kim: Yeah. And there's so little reality between Wall Street and the real economy.

Peter: Yeah. And unfortunately, what people who think are many of the financial networks or what people are tuning in, they think they're objective. But they really be just come a home base for those people to go on. I can't remember that the few times I turned it on, the last time anybody presented a truly bearish case. And if they try to present a bearish case, the anchor people, after 30 seconds, just tear them apart. And so, I don't think the public gets to hear the other side of the story in the manner. And they've been caught up in, like I said, in this one way street belief. And someday a traffic circle's coming. And we all know what it was like the first time we ever got to a traffic circle.

Robert: So what do you say? I feel for our generation, the boomer generation, because I think they're going to have, it's like Lucy and Charlie Brown. They're going to pull the football away and they're going to fall on their butt when they have no 401k. And so, that's why the guys in our company write about 401k arson, stock market and cash flow. We say we better get proactive in your investing, not be a passive investor. And then I've noticed that you like gold and cash and stocks in resources, which Kim and I love also. But what would you say right now, first of all, to the old guys, the boomers who are about to retire, and the young guys coming up, because we were all young guys at one time.

Peter: Well, there's an old saying, I'm sure you heard it. There are bulls bears and pigs. The bulls and bears each have their days. But we're at the pig time. The biggest single complaint, I think, people had for financial advisors, I guess they had it against me, especially in the first half of my career was, "Hey, you guys and gals, you always tell us when to buy. You never tell us when to sell." And one of the things I've learned is, and I learned it by making and losing millions, not once, but twice on my own. And that is, if you can't bring yourself, forget where it's been. If you can't take what you have in it now, and first buy what you are in today, then that's the biggest single warning signal you're going to get.

Peter: And what I find interesting when I speak to people that are way overloaded, older people, way too much equity and that type of stuff, way caught up in the latest fads and all this, they all say, "Yeah. I don't think I could first buy, but I..." And here's the word, which is a wonderful spiritual word, but it's the worst word in investing, "I only hope it works out." Hope is wonderful. You need that to live a spiritual good life. But in investing, it's the last strategy you should be using if you want to be successful.

- Robert: And I always say hope is for the hopeless.
- Peter: Very good.
- Robert: I'd rather have the gold in my hands than hope I have some gold in my hands and things like that.
- Peter: Let just add one thing. Sorry. I'm going to just add one other thing. The other point is, what I've noticed for me and the handful of people that have been successful over many years, not just in the last great craze. It's not how much you're going to make. But how much you don't lose is going to separate whether you're the winner a loser. So when you ask about gold and all, it's not that I think gold's going to 8,000 and you're going to need an to live and all. But I think it has a far less chance, if I had to buy it right now, of loss of principle than I do buying FANG stocks or the general equity market or something like that. So I think that's another reason to look at it. It's not so much what I can make with it, but how much it may prevent me, or at least be the much lesser of two evils, if everything is evil.
- Robert: Correct. Well, let's take a break. When I come back, just for you young people listening to this. I'm old enough to remember. When I was a kid, the only people that invested in the stock market were gamblers. I remember my rich dad saying, "Gamblers are in the stock market. If you are smart, you are in the bond market." And today, both markets are toast. So anyway, that's why what Peter is saying is crucial. When we come back, we'll be talking more about what we can do going forward. We'll be right back.
- Robert: Welcome back. Robert Kiyosaki, The Rich Dad Radio Show, the good news and bad news about money. We have a very special guest today. Like I said, anybody who agrees with me, they're intelligent. And so, it's like talking to myself. I'm talking to Peter Grandich, he's the author of Confessions of a Former Wall Street Whiz Kid. And one of the reasons Kim and I do not own stocks, we don't have a 401k and all that. It's because I don't trust the stock market. I trust gold, silver and my businesses. Anyway, you can listen to The Rich Dad Radio Show anytime, anywhere on iTunes, Android and YouTube. And please [inaudible 00:21:24] review. And all of our programs are archived at richdadradio.com.
- Robert: And I would suggest you listen to this again so you'll learn something about it because if you have a 401k, this could be your life saver right now. We've listened to it now. But more importantly, if you have friends, family, or business associates who are counting on the stock market going up, or are planning on shifting to bonds to retire on, this is a very important program, because it may save your butt into the future, especially if you're a baby boomer. And also, if you're a young person, this is a very important show to remember right now because I've never seen so many guys who are 'millionaires' because they bought Bitcoin. The problem is, you don't know what you did. I like making money, but Kim and I bought Bitcoin at 6,000. And today at 70,000 or 65,000, I wouldn't touch it. I'm going to wait for it to retrace again, because I trade the thing. But it's really,

you have to be smarter with your money today, which is why we have The Rich Dad Radio Show. Any comments, Kim?

Kim: Yes. And so why I love Peter Grandich on this show today is, we have real experts and we have fake experts. And in the last segment, Peter was talking about people who have been in this market for what, 18 months, and they're the experts, where Peter's been in this market for 30 some years. So we like bringing in the real experts who have been there, who have taken the hard hits, who have been up and been down, and understand what's going on. And most importantly, so that we can learn from the past and prepare for our future. All of us.

Robert: And most financial planners weren't even born the last crash. So they haven't had the lashes across the back yet. So Peter, welcome back to the program. It's really an honor to be talking to you. Could you explain something to us, because you're a Wall Street insider. What was happening with gold and silver and JP Morgan? What was happening there? Because even I didn't understand it. But it was manipulation.

Peter: Yeah, sure. So for a good part of my career, there was a time that I spent a good deal of time in the minerals and mining industry. And while coinciding working with in another business with professional athletes. So I got to see and, in a sense, debate those people that would claim, well, there's no such thing as manipulation. The markets are okay. And nothing is done wrong. And we would just witness the way gold would trade, and silver at times, and say that there's no rhyme or reason for that to happen. And sure enough, after several years, and several spokespersons I think were front people for the-

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Peter: ... years and several spokespersons, I think who are front people for the ones that claim "nah there's no manipulation", we have learned over the last few years, there was plenty of manipulation. Actual cases, actually pleadings of guilty and we saw it in all other medals. And to think somehow it stopped at the gold and silver pits was foolish. The problem goes back to this and that is that, you have an advantage unlike anything else to be a major financial institution. If you look back at the last, what really led to the last financial crisis, we learned after the fact, some people saw it before the fact, we saw financial services firms, putting people into mortgage related investments and products that really had little or no chance to be able to pay or do what they needed to do to meet the obligations. We would discover later, after everything blew up and the world really was brought to its knees.

Peter: And we were literally, people forget, we were looking at the abyss. I mean, if the government doesn't bail out the major banks who knows what would've happened, but we found out later that those institutions not only sold those mortgages to the people without actually owning them, which is in called shorting, they sold something they didn't own. They profited from the commissions they made plus the fall of the price, but

the average person couldn't understand that. So I put it in a very simple way. I said, imagine if you went home tonight and you heard that the major car companies built cars knowingly, they were going to crash and made the people that they bought those cars buy life insurance. So they collected twice when they crashed and died. And that's what financial firms were doing. And while there was a lot of investigations and charges and claims and some very small, low level people were found guilty of something in hefty fines, no one really paid a price.

Peter: So those financial institutions were the same ones who a couple years ago, built and spent hundreds of millions of dollars building these fiber optic products to go from downtown New York to New Jersey. So they could literally legally front run trading. And if it wasn't for Michael Lewis and a young man from our R C E C bank who couldn't understand why somebody was always beating him to his trade and it still happens today legally, and now people say to me, well, the financial institutions all tell me, Bitcoin is the answer. And you're right at 6,000, it was worthy. But at 65,000, if you think about what it's moved to and can you find with no disrespect to you and I, Robert, can you find any opposition to it? It is just universally pushed and talked of, 500,000, a million. And as I told you, as we were on break, the terminology being used to describe why you should be in Bitcoin, if you substitute it and get the text from 20 years ago, when they said the same thing about penny stocks, it's the same thing.

Peter: And I won't mention his name, but there's been a man. That's probably been the biggest advocate of Bitcoin. And when he's telling people to mortgage your business, mortgage your house and put it all in Bitcoin, not even across the book because listen, cryptocurrencies are here. It's an industry, just like the internet was, it's new. It's gone through the roof. It'll have to go through a shakeout, and after the shake out some great companies, just like we saw in the internet.

Robert: Right.

Peter: But Bitcoin is the AOL of coins because it's technology is not anywhere near the newer coins of technologies. And those are the ones that are going to be more embraced after the shakeout. So, if nothing else, if you're going to be in that market, be diversified, don't all be in Bitcoin. That's all you hear from someone like that and all. And of course, I think as you said, the price is too high and there's no opposition.

Peter: So if you're going to bet on anything, when everybody seems to be in the boat and you really need a perfect scenario for it to continue, that's the big warning signal. You really want to go over and guess what? The empty boat over here is gold. You got a full boat here and you got people saying something that kind of worked for 2000 years, suddenly isn't going to work anymore and you really should avoid it at all cost. And I just think if there's any true contrarians left, if for no other reason, that's why you need to own gold and maybe not Bitcoin.

- Robert: And the other thing too, is as having, being old enough to see markets go up and down, I get excited it when they come down, like you say, that's why I'm in cash and gold and things like this because that's when you buy. So I wait for, we wait for the crashes. Right?
- Kim: Right and so Peter, you're one of the things you were advocating is holding cash for that very reason. When the market crashes, there's going to be a lot of opportunity. What's it going to look like when the market crashes, what's it going to look like? And where are we going to go?
- Peter: Whether it crashes or rolls over. I think it's going to go end up being a lot lower than where it is now. And unlike before, think about in 2008, where we were facing two political parties had to go in a room along with the bankers and literally create it, what has led to the problem we have now. There was no such thing as quantitative easing and all the monetary heroin and all the stuff that everybody's got hooked on now. But that's what was created in order to save everything. I don't think the political parties could go in a room now, no matter how bad, whatever crashes and come to any reasonable solution, anytime soon we're witnessing it right now, we're witnessing the party that supposedly has a controlling interest, struggling to get any of its desires across the finish line. Can you imagine if it was because it's literally to try to save us from imploding?
- Peter: So whenever the market goes down and from whatever level it goes down to, then the repercussions of the way we lived and all the things that have been done wrong for a lot of years come to play. For example, so many people now are dependent on government aid in one way, shape or form, that our parents and parents never did. I mean, we struggled and we had to give up stuff, listen, I've made, you may not be aware of this. And, it's no fault of the company, a group I'm going to mention, but I've made public storage the poster child for what's wrong with America. And it's not that they do anything illegal or wrong, but our parents lived in much smaller dwellings, had very few things and didn't need to pay somebody to keep it somewhere else.
- Peter: George Carlin used to have a routine. Part of the issue is we've gotten used to too much stuff. We've been convinced by Madison Avenue and Wall Street, either knowingly or unknowingly or somewhere in between, that more money equals more happiness. And the only person that could be happy is the guy that owns the bus company, not the guy driving the bus. When in fact, some of the most happiest people that I've met are people with literal no means, and I dealt with athletes that were worth hundreds of millions of dollars, and they were as unhappy as could be. So I think that's all going to play out. And unfortunately we have to live through. And quite frankly, Robert it's, our children and grandchildren, I think are going to pay a bigger price than anybody that's, you know, at our age where we are at the twilight of our lives, it's that next generation, the two that has to pay the big price.

Robert: And amen. Amen. Amen. And the reason I'm concerned is because every baby boomer has been living on this idea, the stock market goes up, don't fight the fed, buy the dips and all this stuff. Meanwhile, the bond market is going to pieces and they don't have a bond market. And the bond market's a lot bigger than the stock market. My concern is that when the baby boomers finally get the message that the stock market is not going to go up anymore because China's coming down, Europe's in big trouble right now. That's when the selling starts. That's when the stock market crashes big time.

Peter: If you look at all the things, when we go back, when we were young and we had the textbook of, okay, this is what you need to do if you're an investor, you have to look at things political. How is, how are things economically and all, everywhere you look, there's a crisis in one of those proportions, whether here or abroad. Debt, for instance, before we run our time. I never thought, on the life of my two most possessions, I own my wife, my daughter, that God has given me, did I ever think I'd be having a conversation in 2021 and say to the lovely host, we have 30 trillion dollars in debt, trillion, not billion. Cause when I started, we only had a couple of billion in debt. We were the world's largest creditor nation.

Robert: Right.

Peter: We only had a G D P to debt ratio of 30%.

Peter: Now it's 135%. Here's what I like to have one of those young gurus on the internet, tell me how we get out of this. There's 30 trillion in hard debt that doesn't count Medicare, Medicaid and social security, which the government was smart enough to make that unfunded liabilities as a business person, I must fund, but the government doesn't have to, but let's push that 70 to a hundred trillion to aside for a moment. There's 30 trillion, 2019 was the best year the government ever had in tax revenue. Little over 3.1 trillion, let's say we just go back to 5%, because they're all saying interest rates are going to return to normal. So it goes back to 5%, 5% of 30 trillion is 1.5 trillion in interest. We only took in 3.1 trillion in our best year. How do we go? How do we do that? And they don't answer.

Peter: They just move on to something else. And that's what we're facing. And remember the states, the cities, they don't have printing presses so they can only raise taxes and lower services. The corporations that went out and borrowed and borrowed. Now how many seniors do you meet Robert and hear from? I live in a 55 and over community, and the only thing I hear down at the community center, Hey, I don't care if my stock falls 20 or 25%. I just hope they don't cut the dividend because they're living off the dividend yield. They don't realize that the economy goes in the tank. Those companies can't keep paying those dividends. So there's a whole series of things, and just, we haven't even gotten to the social aspects that there is no more middle class. There's no more middle thoughts. You're either left or right.

Peter: There's nothing left in the middle. There are so many things that we could spend endless hours on to be cautious and be concerned about. But if you listen to Wall Street and what I've called, let me say this. I coin them the "don't worry be happy crowd". I honestly believe this Robert. I believe this. I believe even if the arch angel Gabriel came to their strategist and said, God wants you to know there's going to be a crash in the next week. And that strategist went down to their firm. That firm would not allow them to say it because you see if you tossed them off the Empire State Building, they all say the same thing all the way down, "hey, so far so good".

Robert: Once again, as I said, the definitions of intelligent, if you agree with me, you're intelligent. So Peter, you're very intelligent, man. And that's why Kim and I have been in hard assets and all it's been, it's I don't know what, what else to say any comments Kim?

Kim: Well, no. I mean, when you talk about how manipulated the stock market is, how manipulated the gold market is, the silver market, all of this. It's like, what, what can we do today that's real? And so that's why we put our, our trust in real assets, real assets that we can touch, that we can feel that we can smell, that we can taste.

Robert: Peter, you should have seen us when we bought our first house. Cause we started with nothing, you know-

PART 3 OF 4 ENDS [00:36:04]

Robert: Peter, you should have seen us when we bought our first house because we started with nothing, and we had this pile of silver sitting in our closet in La Jolla, California, and that was someplace else. So Kim had to Lu the silver down to convert it to cash.

Kim: To make our down payment on a house. So we love silver and we love gold and we love hard metals.

Robert: But we've been in hard assets since Vietnam. Since Nixon took a dollar off the gold standard, I said, "I'm going to go hard assets."

Kim: So Peter, what are final words for people listening? What is the best thing that they can do to prepare for the future?

Peter: Well, for me, and it's worked for me, it may not work for others, I go back to the one book, with no disrespect to the many books Robert has written, and the many books that are out there. There's been a great book that has a lot of good financial advice in it. In fact, there's more about matters of finance in it than anything else, even including Heaven and Hell, and that's the Holy Bible. And there's a lot of good teachings in it. And if you read it, just as a financial book, forget, throw out religion for a moment, what's really interesting, the author and authors, whether they were God or just people that

made this book up, there's one thing they talk very negative about. They don't have a positive thing in the world to say about it, and that's dead.

Peter: I think one of the biggest problems people face is they've gotten into too much debt and they're not like you have, counting on hard assets. They're counting on paper and other things to get them through. So I think less is more. If you can work your way out of debt, lower your debt, and hold assets like you say, you can touch and feel and hold, and you know that worked for a couple thousand years, I think at the end, you'll more than survive, where a lot of other people are going to have some big difficulties.

Robert: Yeah. And what we say is we be the fit. We back our debt up with hard assets, so we're not floating out there with nothing. So we have a lot of debt, but we've always countered the debt with hard assets.

Kim: Or as our friend says, "When the tide goes out, we'll see who swimming naked."

Robert: Anyway, Peter, thank you for your message of warning. I share concerns. I think our generation, baby boom generation, there's going to be a lot more homeless people, and that's what terrifies me.

Peter: Well, thank you. Because as I told you, I've been involved with a group that recognized the long goal like you taught so many people, cashflow is king. And cashflow is for you. Net worth is for the people you hope you'd love to leave to. And thank you for being both of you being an advocate for that. You don't know exactly how many people you helped. And I know of many of them because it's always the book that people bring out when I bring up Cashflow. "I read this guy's book. He's saying what you're saying." Now, I got to talk to the guy that wrote that book.

Kim: Oh, that's great.

Robert: Well, thank you. Thank you very much, Peter. Keep up the good work. Let's keep sounding the warning. Thank you.

Kim: Thank you, Peter. Really enjoyed it.

Peter: Thank you, Robert. Take care.

Kim: Thank you so much.

Robert: And when we come back, we'll be with final words. Thank you, [inaudible 00:39:01] We'll be right back.

Robert: Welcome back. Robert Kiyosaki, The Rich Dad Radio Show, the good news and bad news about money. Again, thank you to Peter Grandich. He's the author of Confessions of a

Former Wall Street Wiz Kid, and it's in its fifth additional already. And you can listen to The Rich Dad Radio Program anytime, anywhere on iTunes, Android and YouTube. And all of our programs are archived at richdadradio.com. We archive them because if you listen to us again, you'll learn twice as much, but more importantly, if you have friends, family, and business associates who are not paying attention to what we just said, ask them to listen to this. Again, we don't make any money selling gold, silver or Bitcoin and all this. We just talk about what we know. And we've been doing this for... I've been doing this for a long, long time. And exactly as Peter says, most of the financial planners weren't even born yet, the last crash, and they're giving financial advice given to them by Wall Street.

Kim: And giving financial advice when they've only seen up markets, so they haven't seen a crash. I think the most important thing is if there's... So many guests that we have, including Peter are giving us warnings, pay attention, be prepared, do this, do that. And I know so many people who unfortunately, are never going to listen to our show, but those who are, I hope, I trust, trust, trust, you're paying attention, and I trust you're taking some action. I trust you're taking some action because there is a way to prepare.

Robert: I don't know if you picked up what he said, but he lives in a retirement community. And everybody says, "I don't care what happens to the stock market as long as I get my dividend.

Kim: ... my dividends.

Robert: I mean, how can you be so F-ing stupid? [crosstalk 00:40:38] I mean, he talked about the most important word is cashflow. And when the stock market crashes, your dividend crashes with you.

Kim: Yeah. Those companies go down, they're not going to pay dividends. Just like pensions, pensions aren't... Same thing.

Robert: Pensions are empty. And so we have all of these baby boomers who were the luckiest generation in history, in history. It was so easy to make... My first house I bought, it went up in price. I went, "Oh my God, I think I'm Donald Trump." You know what I mean? And the stock market kept going up. But you talk to the old timers, like [inaudible 00:41:09] and the other guys, they say, "This is a house of cards about to come down." And people are counting on the stock price going up, their dividends, their home prices to go up.

Kim: They're home prices, yeah.

Robert: And this is going to be a depression like we've never seen before. And people say, "Well, there's inflation. There's inflation. There's inflation." There's not because the Fed does

not control the bond market. And the bond market is controlled by the shadow bank system. And the shadow bank system is crashing. That's why bonds are dropping.

Robert: So please wake up, smell the roses. I'm not saying do anything. I'm not saying sell anything. I'm saying, just be aware. And if you have a financial planner that's under 60, get a new one because they'll tell you the real life about the ups and downs of a market. And again, I love Bitcoin, not because I love Bitcoin, because I don't trust the Fed, I don't trust Wall Street and I don't trust the Treasury. And so I agree with Peter. He says, "There'll probably be a better Bitcoin coming up." Good. Then I'll switch. But until then, I'm riding the wave.

Robert: So this is about financial education. We make no claims. We don't make recommendations [crosstalk 00:42:24] just be aware. And we definitely don't take commissions. Any final words, Kim?

Kim: No. Sara, I want to hear, what did you pick up from the show from Peter today?

Sara: To your point, where we put out these warnings, so many people that we know are putting out these warnings, and I think it boils down to what Peter said is, "We have this idea of this time it'll be different." And what we've talked about in the last few shows is we don't learn anything from history, and so I'm afraid that this younger generation thinks they know better, they're smarter than anybody that came before them, and they're screwed.

Robert: Yeah. I was talking to George Gavin and says, "Who's buying all this McLaren." He says, "Bitcoin millionaires." Well, they got lucky.

Sara: Right.

Kim: It's just like the dot-com bubble.

Sara: Yeah, right.

Kim: Just like the dot-com, all those young kids were spending all this money. Oh my gosh, exactly the same.

Robert: Or it's like a basketball player or football player, they're multi-millionaires but statistics show that an NBA player, an NFL player, they're bankrupt five years after retirement.

Kim: Because they've got no financial education.

Robert: And they listened to financial planner.

- Sara: Right. We've talked about lottery winners, athletes, they come into this big wave of money and the end result is the same because they have that poor mindset, they have no financial education, they don't know what to do with all their money.
- Kim: They bring the poor mindset with them when they have these millions of dollars, but they still have the same habits of spending, spend on all your friends, have the big home, have all the big stuff.
- Robert: They think when the net worth goes up, they think their IQ went up. They're not related. They're not related.
- Sara: That's a good point.
- Kim: Yeah. That is a good way.
- Robert: So I mean, Kim and I have had enough lashes across our back. I mean, my God, he's lost millions, we've lost millions, but that's where you gain in wisdom and intelligence.
- Robert: Final words on this, recommend being capitalist. This is the funniest story I heard most recently. When Mao Tse-tung came up and says, "We got to teach people to make some money." So China had a rat problem. So they said, "Okay, let's put an incentive out there that if you catch a rat, we'll pay you money for it." So the Chinese being hardcore capitalists said, "Why should we catch rats? We'll just raise them."
- Kim: So they started breeding rats.
- Robert: Raising rats to sell to their government. And that's what Wall Street is doing to all the people.
- Kim: That's pretty good.
- Robert: You've got to be a little bit smarter today than a rat, because there's a lot of rats out there. So thanks again to Peter Grandich and thanks all the listeners of The Rich Dad Radio Show.