TAKEOVERUSA

FINANCIAL FORECAST & PREPAREDNESS

Contents

The crisis in our own backyard

Threats to our economy are the single biggest risk we face in the world today. I mean sure, it's fun to think about a zombie apocalypse or the a chance a solar flare knocks out all of our electronics and sends us back to the stone age. But the reality is there's a much bigger threat, much closer to home; and it's much more likely to occur.

A financial collapse.

Those who have done any research on the subject know what I'm talking about. We're currently riding a wave bearing the biggest level of debt that's ever been seen. Ever. In the history of the world, nothing even comes close to the trouble our economy is in. A financial collapse is long overdue, as the structures and balances in place aren't sufficient to stop it from happening.

We saw it in the global financial crisis, our entire society is just a few steps away from a major crisis. Now institutions like the US Central Bank, the Federal Reserve are doing their best to prop up both the economy and the dollar, but this can only go for so long. Eventually the music is going to stop playing and the crash we experience could be catastrophic. Anyone who is not concerned about the inevitable financial crisis needs to have their head examined.

In this guide we're going to teach you the fundamentals you need to follow in order to get prepared, and to make it through an economic downturn with your family and your wealth intact. The key to survival is having a plan and strategy in place that enables you to outlast whatever comes your way. Surviving the collapse of the economy and the fall of the dollar is indeed possible, and we'll also dive into investment strategies and saving tips so you're ready when the SHTF.

But getting "prepared" isn't as simple as following just one or two steps. What you'll need to implement for your family may be different to the Jones' across the street, as we've all got unique situations we need to overcome. If you're already wealthy you've got a head-start, while many of us may actually struggle just to meet our daily needs. I've got a couple of friends who are already completely off-grid and reaping the benefits of a life independent of modern society, while others are still tied to their jobs as their primary source of income so they're stuck living in a city, close to their work. In this guide we cover everything from simple saving techniques to advanced ways to get your money working harder for you, so there will be actionable insights no matter what situation you're in.

Now just like preparing for a disaster, the best time to start getting your finances in order was "yesterday," but after reading this guide you'll be armed with the knowledge you need to start making progress today. In a few months time, you'll look back and wonder why you didn't get started sooner.

Now let's get into it.

Understanding the basics of a financial collapse

A financial collapse doesn't mean we're suddenly going to be thrust into doomsday. Society isn't going to immediately revert 200 years, and we're probably not going to become subsistence farmers working the lands like the first settlers to America. What you can expect is that inflation will skyrocket, sending prices as well as unemployment rates through the roof.

The Fed uses interest rates to influence monetary policy, striking a balance between low inflation levels and high employment. Their current policy is a little unconventional, with the goal to lower interest rates by purchasing long-term financial assets, sparking job growth by keeping short term interest rates as close to zero as possible. It's working and the economy has begun to rebound, but it's still a house of cards that could collapse at any moment. The danger is that these low interest rates are being driven by cheap printed money, which is the first step to inflationary price increases.

As the dollar drops in value, it will put pressure on the Fed to start printing ever more money to service their debts, driving inflation even higher. One of the biggest risks to your financial freedom is one that's often forgotten by the everyday investor. Inflation. It's a forgotten risk because it's usually kept under pretty tight controls, however the day it starts rising, can you honestly say you've taken the right steps to protect your money?

Smart investors are the ones action now to protect their cash before rising inflation erodes all of their net wealth. Which makes preparing for a financial crisis far easier. The fundamentals of getting prepared revolve around two core ideals.

1) ***Maintain income levels to ensure you can provide for your loved ones***
2) ***Safeguard your wealth against runaway inflation levels***

In a later section we'll get into everything you can expect to happen in a large-scale financial collapse. This will help you to prepare, and while there's no sure-fire way to shield yourself entirely from the collapse, you can lessen the impact of a financial crisis on your family.

But just how close are we to a financial collapse?

Twenty years ago, you'd have been branded a nut-job if you started warning people about the threat of a global economic collapse. Even today, while most Americans could tell you about the struggles they faced during the global economic crisis, the public remains blissfully ignorant of just how close the system came to collapsing on itself.

Just because you're told the economy is "too-big-to-fail" doesn't make it true.

It took over $700 billion dollars to shore up the economy through the last crisis. Seven hundred billion. That amount of money is almost too big to fathom, and it's all tied to a single currency, the dollar. It's no secret that a currency can collapse, it's happened a number of times already throughout history.

One of the latest examples is from 2009, in Zimbabwe. The policy implemented by President Mugabe, was to reappropriate farmlands owned by white citizens to indigenous Zimbabweans. Within a few months this policy turned their economy from a net exporter of agriculture to an importer, sending unemployment to 94 percent and inflation into the stratosphere. Local prices began doubling every 25 hours, sending the price of a loaf of bread to $35 million, and a weekly bus ticket could be bought for $100 trillion.

Now the US isn't Zimbabwe, but there's two things here that scare me.

1) ***In 2012 the US Government enacted the National Defense Authorization Act (NDAA) which gives the legal right to perform similar land and asset grabs here on US soil.***

2) ***The US dollar is unofficially the world's currency, and many other countries have pegged their local currencies to the value of the dollar.***

We'll go into these in a little more detail in the next section, but should the United States find itself in a position to enact the NDAA, the world economy could be irreparably destroyed.

Wait. What's the NDAA?

For years the US government has been making subtle changes to our laws which are bringing it closer and closer to a police state. One key piece of legislation in this transition was formally enacted and approved in 2012. Known as the National Defense Authorization Act or the NDAA, it essentially gives the government sweeping control, over everything, once they declare our country to be under martial law.

For individual citizens, this is really, really, bad news.

Once a crisis has led to martial law being declared, our homeland technically becomes a "warzone." Under these circumstances, the NDAA legally grants the powers at be almost dictatorship-levels of control. Habeas corpus is suspended, which means anyone can be legally imprisoned for any reason, which will ultimately lead to infinite detention without just cause. No proof is needed to assume any resident or US citizen is an enemy combatant, none. To me, that's a horrifying amount of power to let anyone have, let alone the bureaucrats who sit in congress, and we've already given them permission to do this.

But wait, that's not even the worst part. Hidden inside all of the documentation and laws is another little gem. This one's dubbed "Executive Order 13603." To protect the interests of the nation, Executive Order 13603 grants the government complete and total control to appropriate resources, material and services to use as they see fit. So once the NDAA is enacted, which can be done at a moment's notice, everything you own can be legally confiscated by the state.

If deemed "necessary" you could find your home taken from you, your wealth stripped, and even see your supplies raided if they determine there's a better use for the tins of food you've got stockpiled in your basement. Heck, they've even got the right to "conscript people to work," which is a nice, legal, way of saying they can force you into a job, and make you work. I don't know about you, but that sounds a lot like slave labor to me.

Now let's think back to Zimbabwe. Your initial reaction was of course this could never happen here in America, but the US government already has the means to exact the same policies that president Mugabe put into place. Do you trust them to do what is right? Perhaps now, yes. But what about after a crisis? It took less than a day for police officers to turn from their duty to the public during Hurricane Katrina and seek to protect their own families first. I can't imagine the higher-ups will be any different, as we're all people. And all of this, is just one spark, one big event away. Pull the trigger and watch the entire economy go up in flames.

But how does the US dollar fit into all of this?

As the currency backing up most of the global economy, a significant change in the value of the US dollar could have far-reaching ramifications beyond simply our own borders. In countries like Cambodia and Vietnam, US dollars are accepted just as easily as their local currency. Banks use the dollar as the base of their financial reserves, and a large percentage of the worlds commodities are priced and traded on the value of the US dollar.

Now here's the scary part. If the value of the dollar drops too far, the currency will collapse, creating a financial crisis in America, that will have an impact on nearly every other nation in the world. The US dollar has been losing ground to the Euro for years, and should it continue the downward spiral will send us into a free-fall that will be impossible to recover from.

Our economy is built on debt and the US lacks large financial reserves to manipulate our local monetary policy. Congress seems happy to continue adding trillions of dollars to America's growing amount of national debt, it's safe to assume the current situation is not going to improve anytime soon. In fact, it's only building the risk. Many of our former enemies hold these debts, meaning we rely on the whims of countries like Japan, Russia and China to shore up our economy. If they ever lose confidence in the dollar, and switch their holdings into assets that are more stable, like gold or another currency, it will only speed up the onset of the coming crisis. I don't know about you, but if my family's stability was reliant on the whims of one of my former enemies, I'd be more than a little nervous. Once they decide the party's over, the crash is going to be huge.

But this crisis won't just be contained to the borders of the United States. Nations currently holding large eternal debts will suffer, like the UK and Canada, as the dollars collapse will hamper trade and may even keep their central banks from trading at sufficient levels to service their existing debts. We're just one step away from a total collapse, sending societies across the world into poverty, starvation and even a total breakdown of law and order.

Of course, the trusty Fed has its own tricks to keep the house of cards up, and lately they've been printing money at an unprecedented rate to relieve some of the pressure. Unfortunately, this is really the only tactic they've got left. If the money wasn't being injected back into this pyramid-scheme system at the current rate it would collapse. Inflation would skyrocket, and citizens of the greatest country on earth would be looking at problems they never thought possible. Like $35 million for a loaf of bread. It doesn't seem like such a stretch anymore.

What's pressuring the USD to fall

There's always pressure on the value of a currency, from international trade to local decisions on interest rates and savings levels. Right now, there's three major factors which have primed the US dollar for its inevitable and spectacular failure.

- The budget deficit is three-time that of the 1980s, and runs between 2.5 to 5 percent of GDP
- The percentage of goods manufactured in the United States continues to fall at an unprecedented rate

- The services economy that is propping us up doesn't help the balance of payments as there is little to export

Our government has been doing its best to prop the economy up, but in doing so they've unwittingly set a trap that spells the eventual doom of the US dollar. Short of a massive increase in manufacturing and exports or an elimination of free trade, we've got a big hole to dig ourselves out of. Personally, I don't see any way that we'll be able to get out of this one.

The Fed is currently just creating more and more Treasury bonds which are being greedily bought by overseas governments to keep their own currencies low. But it's all got to stop sometime, and we're almost at the breaking point already.

How to spot the crisis before it happens

With our economy poised on a knife's edge, the best strategy you can follow is to be prepared for anything. There won't be a red flag that goes up to announce the start of a crisis, instead you're going to have to keep your eyes and ears open, and be willing to listen to the signs of change.

In this next section, we're going to run you through the seven most likely scenarios that will come before the total financial collapse. If you know what to look for you can start making smart decisions, and the information we cover could prove crucial to your survival in the months and years to come. Staying a step ahead is fundamental to being prepared.

So sit up, pay attention, and if you notice any of these events occurring on the news, you may be watching the beginning of the end. Any one of these situations could bring the entire US economy to its knees, as we're already in deep, deep trouble. Of course, not all of these may come to pass, but any, even on its own, could be enough to trigger the financial collapse.

Significant fluctuations in the gold price

Central banks have the ability to manipulate the price of gold to an extent, but large-scale movements are a massive red-flag. I'd start paying attention if you see record high's (or low's) on the news, as they're a telling sign the current economy has begun to fail.

Following the 2008 financial crisis, the uncertainty in the global economy drove the price of gold to record setting highs just five years later. This has since cooled off, however the 18 percent rise in 2016 could be a sign that not every country is as comfortable as they seem. If prices top say a 30 to 40 percent increase, it's a sure sign that the global markets have begun to panic, as countries seek to shore up their wealth in one of the world's oldest stores of value.

Central banks overseas begin investing large funds into gold

When central banks overseas start investing news-worthy levels of gold, this is a pretty good sign that the US dollar is primed to fall. My advice, is to pay attention and notice what these large investors do, as they usually have a pretty good idea of where the market is headed.

In late 2014 China took advantage of the relatively low gold prices to invest in 4,000 tons of the precious mineral. As an investment gold has not performed well in recent years, though it seems a smart move now thanks to the rally and recovery in early 2016. The Chinese bankers spotted a trend that we all should be aware of, the US dollar is primed for a fall and they've already started hedging their investments.

The IMF starts new reform programs

The International Monetary Fund (IMF) is a grouping of 189 countries working together to ensure worldwide financial stability, facilitate trade and drive economic growth.

One of their key products is known as Special Drawing Rights, or SDRs. These are simply an asset that can be added to the official reserves of a member country, and then exchanged for a real currency, like the US dollar. Imagine SDRs are like a currency of their own, that has value because it's tied to the value of real currencies.

What you need to watch out for is policy changes set out to alter the composition of SDRs, especially if they are pushing for a reduced US dollar share. Right now the "basket of currencies" used to calculate the value of a SDR consists of the US dollar, the Euro, the Japanese yen and the British pound, however new legislation was enacted to bring the Chinese yuan into the calculation as of October 2016. This pushes the "amount" of dollars in one SDR from 66 percent to only 41.73 percent.

The IMF sees the writing on the wall as they're hedging their bets against a falling US dollar. Further regulatory changes that drop the US dollar share further could be the sign that the currency is about to become worthless.

Reforms stop being done at all

The last financial crisis demonstrated that we can't trust big banks to do the right thing. Without reforms and restrictions in place, things can go south quick; as the ultimate goal of every investment bank is to turn a profit for their shareholders. Of course, big banks are also the biggest lobbyists when it comes to pushing back against financial reform, so keep an eye out if it seems they're stopping more and more changes from being implemented.

Banks can do a significant amount of damage if they're left to operate unchecked, especially with leveraged positions that have a multiplier effect. The real economy simply can't keep up.

In 2008 the financial crisis was essentially caused by a pyramid scheme of bad lending practices, that led banks to invest in positions with massive exposure. It took the systematic collapse of the entire system, not to mention a $700 billion cash injection from the Fed to stop it becoming any worse than it did. Only now are the regulators starting to wake up.

If you notice that reforms are being blocked and the banks seem to be "winning" more than the regulators, it could spell trouble. The next financial collapse could be outside of the Fed's ability to contain it.

Market crashes become the norm

As a society we've become too reliant on systems and technology. From smartphones that we're glued to, to the televisions we sit mindlessly in front of, we even rely on computer systems to keep our economy in check.

The trouble is, they don't always work.

I'd be paying attention to a rising level of technology-based crashes. Big ones that come to mind are the Dow Jones dropping 1,000 points in just minutes on May 6, 2010, as well as the unanticipated software "bug" that shut down trading on the NASDAQ for 3 hours and 11 minutes on August 22, 2013.

Banks and traders now almost exclusively use computer applications to perform high-speed and automated trades. A few problems here and there are to be expected. But if they start becoming more common, it's likely that they're either an imbalance in the system as a whole, or a problem with the market. And in either case, it's just a matter of time until another "glitch" spins out of control and takes our financial markets down with it.

Quantitative easing comes to an end

Printing money is really the only way the Fed can keep our economy propped up. It's formally known as quantitative easing, or QE, and it works on a simple principle. Add more money to an economy to help it prosper. The problem though, is it's usually a last resort.

It works like this. A central bank, like the Fed, starts going to the major banks in their economy and buying up their financial assets. This swells the banks coffers and they've now got more money to go make loans, which essentially increases the money supply in a given economy.

To give you an understanding of the size of this phenomenon, the Federal Reserve's balance sheet has increased from less than $1 trillion in 2007, to more than $4 trillion today. Printing money with such reckless abandon is a hard habit to break, and can lead to higher inflation levels. The risk though, is what happens when these QE programs are needed to be scaled back, and the economy slips into a downward spiral as deflation takes hold.

Pay attention to what the policies the Fed is pushing, as they all have a far reaching effect that could trigger a financial collapse if they get it wrong. And remember, the staff at the Fed are people too. They make mistakes, just like you and me.

China's economy collapses

I see your face here. Confusion. What the heck do you care about a collapse in China as a red-blooded American? Now I agree. China's economy collapsing is primarily just a local issue for them, and it won't have any immediate effect on us here in the US. But what about the longer term?

It's reasonable to assume that following a collapse of their economy, policy makers in China are going to do whatever they can to shore up their own economy. I mean, it's what the US would do. Now this playbook is rather simple, but the best way to improve an economy is to get it exporting (to create jobs and wealth). The first step would be to massively devalue the Chinese yuan to flood the world with cheap Chinese products. Over time, this is going to put pressure on the US dollar, and will need the Fed to respond in kind, printing money to offset the rising US dollar, which will put further inflationary pressure on the US economy.

Any of these triggers could start a financial collapse. The trick is to stay vigilant, and when you do notice one of these situations playing out, take steps to protect yourself, your family and most importantly, your assets from what's to come next.

What the dollar's collapse will actually look like

If you're following this guide I hope the problems in our economy are becoming clear and you're already gaining knowledge you need to prepare against the inevitable financial collapse. Now you know what to look out for, once the crisis starts it's going to be reported on widely. Stock and bond markets will fail, inflation levels will shoot to unprecedented highs, before the dollar loses all value and the other major global currencies begin their own downfalls.

But what happens next?

The crash of the dollar is only the beginning. As society begins to melt-down from the decimated economy, you can widely speculate on what will actually go down, or you could use recent examples to paint a clear picture. Taking the recent financial crisis in Cyprus as a benchmark, we could reasonably expect any (or all) of the following to occur:

- Unemployment levels to shoot through the roof
- Currency controls and restrictions from the banks
- Protective measures and tariffs on key commodities
- A severe depression that will take years to recover from

For me though, these aren't even the scariest part. When the currency collapses, your entire life savings will be wiped out. As we saw after the Hurricane Sandy disaster, it'll take less than two days for the gas stations to run dry. Commerce will grind to a halt. Being on the streets will become a life-and-death endeavor as other people will be lying in wait to steal the supplies and resources they need to survive. The world will change, and it'll change far quicker than you can imagine.

Grocery shelves will empty, and without stockpiles of food you're going to be starving. People will be begging, borrowing and stealing from their neighbors, and you better ensure you've got the firearms and capability to protect any stockpiles or assets you do have. Heck, even the police force can't be relied upon in a large-scale crisis, as they'll form their own gangs to secure the resources they need to keep their families alive. It happened during Hurricane Katrina.

This means you've got no one to call when your home comes under attack. You'll really be on your own. The elderly and the ill will be the most vulnerable, and even if they survive the first rounds of riots and looting, they'll struggle to last in a post-crisis society.

Your cell phone will stop working. The money you've got in your wallet is now worthless following the hyperinflation over the last few weeks. Utilities will be gone. If you're in an area facing a cold winter, this could prove deadly just by itself. Disease will spread like wildfire as clean water is now a luxury, and the trash piling in the streets only aids the growth of rodent levels and sickness.

Now imagine you're the government. Slowly watching your control slip away. Again, we turn to history to give us an insight on what to expect. Governments struggling to retain power have proved, time and time again, that they will put their interests, and those of the "country" above your individual rights. Plus, they've already made it legal. Remember the NDAA? That's right. You can expect travel restrictions, some are already being pushed now that would see anyone with a large tax debt losing their ability to travel internationally as their passports are revoked. And we're not even in a crisis yet!

In the EU, countries have already confiscated funds from the bank accounts of their citizens to prop-up their own deficits. I don't know about you, but that's "theft" in my book. Taking your land, your home, and any assets you've stockpiled is just one step further. I am still in shock that we gave the powers at be this right, but it's for the greater good, right? Ha.

Of course, as an individual there's not a great deal we can do ourselves to stop a national crisis. Instead, we should be focusing on uncovering the strategies and preparations we can make to better insulate our families from the effects of a financial crisis. Prepare now, so you're ready once the SHTF.

What this means for the world economy

Once the US dollar falls through the floor, there's really only two main outcomes for the global economy. After educating our readers on what to expect, the remainder of this guide will be on helping you plan to overcome a financial collapse, and preserve your wealth for years to come. As an investor, the biggest mistake you can make is to trust that the Fed has your best interests at heart.

Looking outside of our own borders, here's the outcomes you can expect at a global scale.

SDR become a substitute for dollars

The writing is on the wall if you simply open your eyes, and one of the biggest red flags is that the IMF, the fund responsible for the stability of the world's financial markets, have put a plan in place to remove the US dollar as the world's global reserve currency.

They want to replace it with their own product, the SDR, in a transition that will take place gradually over the next decade. Changing the global reserve currency to the SDR has already been endorsed by the US government, so should the dollar collapse tomorrow the SDR will be the "currency" of choice to take its place. What I find a little worrisome is the extent that this seems to already be the plan. What does the US government and the IMF see coming?

We shift back to a gold standard

There's no safer bet against rising inflation than an asset which has real value. In this case, gold. As inflation hits extreme levels, major investors will lose all confidence in the financial system. Stocks, bonds, savings and cash do not hedge against inflation, the only safe bet is a commodity that has an intrinsic value of its own.

Depending on the size of the crisis following the dollar's collapse, the government could be well positioned to recommend a shift back to the gold standard. It's a simple concept, that ties the value of a dollar to the market value of gold. Under this system, governments can expect prices to stabilize as it's not possible to "print more money," the money supply is only able to increase as the gold supply increases.

What this means for the average American

Our fellow countrymen have had it tough in recent times. Since 2008 the net wealth of the average American has been decimated. The trouble is the future is not looking up. Spending levels are down, credit is harder to come by, and as families rely on the government to keep a roof over their heads and buy their weekly groceries, it's clear we're on the brink of collapse.

Millions and millions of our countrymen lost jobs during the recession, as downsizing and off-shoring strategies to "save costs" have also made it difficult to earn a living wage. The housing bubble sent many families into bankruptcy, as the easy access to credit proved to be like a drug to the unwary. Aggressive bankers pushed the benefits of taking multiple loans at unsustainable interest rates, which leveraged rising property prices to access more and more credit. Many lost their homes once the house prices plummeted, and the banks cashed in when repayments weren't met. As financial institutions imploded, many retirement accounts disappeared overnight. One of my close friends lost 30 years of savings as his pension and wealth was invested in a single company that went under. He's now back in the workforce at 58, trying to rebuild a life for his family.

The question in my mind isn't if we will face another financial collapse or not. The real question is when, and it's looking like it's going to be much sooner than we're all hoping for. Here's what a collapse is going to look like for the average American, and how it's going to change their life.

The impact on your job

The first step, is to consider your job. Money buys us food, gas, and enables us to afford our lifestyle of choice, so sit down and determine if you're going to be vulnerable in a financial collapse. This is a critical step if you've only got a single source of income.

I'd look at this from two angles. First, the industry you're in. Luxury goods and services are typically the first expenses that get cut when money gets tight. A new car salesman may struggle when the public's hoarding cash, but a mechanic could see their schedules jam-packed because people still need their cars to get around, and repairs and maintenance will be a reliable niche. You should be working in an industry that offers an essential good or service. Doctors and dentists are essential. Electricians, plumbers, and even handyman-type services will all be in demand. An interior designer however, may find that consumers are less willing to invest in expensive refurbishments.

Second, is to determine your value to your employer. Are you the key member of the team, or are you only the latest recruit. When redundancies do come, and they will, you want to ensure you're one of the core staff who makes it through, not the one being told "sorry, there's nothing we can do." Of course, the industry you're in will also play a part in determining if your employer will even need to let staff go, so make sure you're working hard, in an industry that's not going anywhere.

Now that you've thought about it, does your job seem secure? If it doesn't it could be worthwhile taking steps to change before it's too late. Avoiding the wrong industries could help you to dodge unemployment when the crisis hits, and becoming an invaluable member of the team ensures you'll be one of the last let go.

Personally, I'd also recommend starting a side-business that provides an essential service. It will give you a nice buffer to your weekly paycheck, and gives you a backup plan that you can fall back on should you be unfortunate enough to lose your job when the financial collapse does come. The less reliant you are on a single source of income, the better.

The impact on your debts

Soaring inflation rates are never good for borrowers. As prices of everyday products shoot through the roof because of the financial collapse, it will become even harder to pay off what you owe to get debt free. Now this point I want to make very clear, as many of the people I talk to about financial preparedness seem to believe the opposite.

A financial collapse will not eliminate your debts.

There won't be a hollywood-type ending where the hackers wipe the servers of all the worlds banks to reset our accounts to zero. The level of crisis the world would need to be in for your debt to be eliminated by anything but you paying it off is so anarchistic, even with the preparations I've made I hope this never occurs. Doomsday scenarios look great on the big screen, but it's not the kind of life you should be hoping to live.

OK, so back to your debts. I hope none of you have had to experience this firsthand, but failing to make your repayments will eventually lead to your assets being repossessed. Debt collectors will turn up and take your furniture, they'll take your car, and the banks will take ownership of your home and put you out on the street without even a second thought. That's the reality of a financial crisis. If you don't believe me, grab a popcorn and go watch the movie 99 Homes. It's set in 2010, at the heart of the foreclosure crisis, and shows you, with brutal honest, what happens when you don't pay your debts.

Not a good situation to be in. Your goal now should be to reduce the amount of debt you have, clearing yourself of all financial obligations before it's too late. Unfortunately, most Americans are living off credit because they're too busy trying to keep up with the Jones'. Did you know the average American family spends 110 percent of their weekly income? 110 percent. That's like knowing you've got $500 coming in, and on Friday you ask your buddy to spot you another $50 for a case of beers. It's crazy.

Do not spend money you don't have, otherwise you're just digging yourself into an even bigger financial hole, that will see you out on the streets in the aftermath of a financial crisis.

The impact on your supplies

When the financial collapse does come, everything is going to be in short supply. I was in Thailand during the 2011 floods, and saw grocery shelves stripped bare. The price of bottled water jumped 1000 percent, and this was just a natural disaster. Imagine if it was a bigger collapse.

Rising inflation rates will make basic groceries, things that are critical to your survival, almost impossible to afford. Just like a $35 million loaf of bread, you're going to be struggling to put food on the table for your family if you don't have a plan already in place.

My plan, is my survival stockpile. I've got over a year's worth of food stored in my home, and another 6 to 12 months supply at strategic locations in my area so I'll always have the ability to keep my family fed and happy. My hard earned cash will not be wasted on over-priced groceries, and I won't be risking my life in supermarket aisles fighting with police officers over the last can of beans. But it's not just food. We've got enough medicine, soaps and shampoo, cleaning products and pretty much every other personal product you can think of tucked away.

In addition to my supplies, we've spent the last three years cultivating a high-yielding garden, which produces an abundance of fresh fruit and vegetables to supplement our stores. We've put the time in to master these essentials now, so when the financial collapse eventually comes, we won't be joining the ranks of the unprepared Americans lining up at the food banks. My foresight will enable me to dedicate my time to keeping my family safe and secure, and I advise you to do the same.

Essentials for your supply caches

Emergency water. What happens when the taps stop running. Once the grid collapses no amount of money will buy you access to clean water. Having a supply of safe drinking water for cooking, cleaning and personal hygiene is critical, and an easy way to get started is to start purchasing and storing bottled water. I'd also recommend investing in a water filtration system so you can purify and sanitize any contaminated water you collect, and install a rain catchment system to top up your tanks should it rain and give you the opportunity. As a minimum (i.e. ration levels), you'll need to store a gallon of water, per person, per day. Honestly, I'd aim for at least three or four for personal hygiene and consumption, in addition to large storage tanks that you can use for irrigation in your garden.

Emergency food. You can't store fresh produce for any lengthy period of time, so stock up on non-perishable food items that don't need to be refrigerated. This may be a little different to the food you're used to eating, but in a crisis having a staple food source is simply a matter of survival.

Canned goods, beans, rice, and a variety of nuts all store well, in addition to jerky's, dried fruits, and coffee and tea. If there's a chance you'll need it invest in baby food and formula, and don't forget supplies for your pets. Just make sure to keep a ledger of every item you purchase and its expiry date, so you can always get a quick overview of your food supplies, at any given time.

Sustainable produce. One of the cheapest ways to supplement your food stores is to build a working garden, and it's also a great way to ensure you get a good supply of hearty, fresh and nutritious food. It's a given that a financial crisis will send the cost of living through the roof, and being able to grow your own food takes your family a step closer to self-sustainability, hedging your bets against any local food shortages in your area.

I'd focus on vegetables and herbs that are easier to grow, like cabbage and lettuce or spinach and kale, potatoes, carrots, tomatoes, broccoli and melons. Plus, fresh produce can be an effective barter item, because it will really be in short supply.

Emergency kits. In a disaster you never know what's going to happen. A financial crisis could send your neighborhood into chaos as rioters rampage the streets, which means you may need to leave your home in order to keep your family safe. In this situation, you're not going to have time to "stop by the store," so it's important to prepare in advance and keep the essentials on hand.

We've got four kits packed and ready to go at all times. A bug-out bag for my wife and I that contains our food and supplies for 72 hours on the road, as well as our baby kit that covers everything our daughter and our puppy need to survive on the road. Lastly, there's a car kit which is a little heavier, but has some essential items we'd like to bring with us should we be able to bug out in our vehicle. We've got basics like copies of our important documents, to food, gear and equipment to rough it in the bush for a few days until we can make it to one of our caches or our bug out location.

Emergency medical gear. Prescription medicine is going to be one of the most difficult items to source in a crisis, so make sure you've prepared a decent first aid kit in advance. Expiration dates are particularly important with medicine, so make note of these on your ledger, and ensure everything you're carrying with you in your kits is viable.

In addition, I'd also recommend taking a first aid course. This will give you, at least at a basic level, a working knowledge of what it takes to dress a wound, splint a break, or perform CPR. Keeping a small first aid manual with your kit is another great idea, so you can refer to it when stress and fatigue are hurting your ability to think straight.

The impact on your investments

Most, if not all of us, have investments of some sort. Perhaps you've got heirloom jewelry tucked away in your safe, your employer is investing in a retirement account for you, or you've managed to scrimp and save to put together an emergency fund that's tucked under your mattress.

These are all investments, and the financial collapse is going to impact them in different ways. Inflation will quickly erode cash at face value, your pension fund may go under, or looters could break in and steal your precious jewelry. Nothing is ever guaranteed as a safe investment, but there's a few ways you can reduce your risk in the lead up to a financial collapse.

Now before we get into investments, the absolute first thing you need to do is reduce your debts. Earning 3 percent in a savings account is great, unless you're paying off your mortgage at 4.75 percent. Your "savings" would be better spent paying off your home loan, to give you an overall net-gain in your wealth (even at the cost of reducing your cash on-hand).

Right.

Once your debts are sorted there's two good ways to hedge your bets against an economic collapse. Using history as a benchmark, there's really only two commodities that have held their value through crash after crash after crash. Property, and precious metals. Now in the short term the value of these can fluctuate wildly, and many investors have lost money by mistiming the markets or making rash purchase decisions during a bubble. The trick, is to buy these assets and then hold them for the long-run. That's where their real value lies, as a store of wealth that won't be eroded by inflation.

Planning to survive a financial collapse

There's two main strategies when it comes to surviving a financial collapse. First you need to hedge against any "short term" effects. This would include having enough cash in your emergency fund to cover your expenses should you lose your job. A 'long term" approach could be building a stockpile of food so you're not going to go hungry, no matter what happens to our society.

Personally, I think adopting a strategy that hedges against both short and long-term crises is a wise move, and I've implemented a healthy mix of both in my preparedness planning. In the next section, we're going to cover my top tips to help you survive. Some of these are long-term, while others will be immediately necessary should the collapse occur. The goal is to give you an easy set of guidelines to follow, so there's nothing stopping you to start getting prepared, today.

1. Calculate monthly expenditure and create an emergency fund

If you run out of cash and resort to payday lenders and loan sharks to get by you're going to be in trouble. Aggressive interest rates will not help you to attain financial freedom, so the first step is to start a budget, and build an emergency fund.

It's also the easiest one on the list, and you can start right not. Grab a notepad and a pen, and every time you spend money, make a note of what it was, and how much you spent. Count everything. The beers at the pub on a Friday to your electricity bill. List it all down. When you've got a little extra time, try to do a second estimate to include all of your annual costs. Things like your health insurance, car registration, or any property taxes on your home would all fit in here.

Now, take what you spent in the month and add it all up. Don't forget to include any annual fees (divided by 12 of course), and you've now got your estimated monthly spend. Take this figure and multiply it by six. The number you get is the amount that should be in your emergency fund. Of course, having more than this only gives you more stability, but as a baseline it's imperative you've got at least this much saved so you can cover six months of expenses. Mine is $20,000. I'm already living debt-free, and we're pretty frugal already, so if you're used to a more lavish lifestyle you may need to save more.

The trick with all of this is to keep your emergency fund in assets that are easy to liquidate. High-interest bearing savings accounts are great. Bonds or a mountain of gold bars, perhaps less so. Just be wary of online-only banks, they often offer great savings rates, but can make it hard to access your funds fast. I'd ensure that wherever I deposit it, I can withdraw my full emergency fund within 24 hours, giving me the cash I need at the first sign of any trouble.

Of course, if you're stuck in the cycle of living paycheck-to-paycheck, saving a figure like this can seem a little daunting. Instead, I'd create a plan to save a smaller emergency fund, perhaps with a goal of $1,000, and I'd apply every other dollar to reducing any high-interest debts, like a maxed out credit card. Only once your debt is clear, should you work towards building a larger emergency fund.

2. Diversify and spread your risk

There's two fundamentals when it comes to investing.

1) ***Like gambling, never put your money in risky investments that you can't afford to lose***
2) ***Never, ever, put all of your money into a single investment or commodity***

The trick to being a smart investor is to diversify your investments to reduce your exposure and your risk. Let's take Gold as an example. For many years it was a great investment, and it still makes up a significant chunk of my own portfolio, but it did crash. If I had piled all of my savings into this precious metal in 2012, I would have seen a substantial drop in my net wealth from 2012 to 2015 as the commodity dropped 20-30 percent of its value. By diversifying you insulate yourself against these drops.

This mentality also applies to fundamentals like your bank account. Keeping everything with a single bank can wipe you out completely if they go under, so spread your risk and diversify. I've got three different banks for my personal accounts, as well as three different providers who look after my long-term investments. And my business' bank account is with another provider altogether. My long-term financial stability isn't reliant on one single company, or one single investment. Yours shouldn't be either.

In addition, I'd also recommend keeping cash on hand in a safe in your home. Now you could argue that cash isn't an ideal store of wealth should inflation skyrocket, and you're right, it's not. But practically, I'd rather not rely wholly on any of my bank's ATM networks to access basic funds. And if we're ever facing skyrocketing inflation rates, I will definitely get rid of this cash then. In the meantime, having it on hand is simply a backup in case I ever experience trouble with my banks.

What would happen if your bank suddenly decided to limit your withdrawals, or if a crash shuts down their entire network? That's right. You'd be screwed unless you remembered to spread the risk. Heck, I'd even look to international accounts to ensure you're protected against any local disruptions.

Think it can't happen? Just ask the citizens of Cyprus, who faced daily withdrawal limits from their own bank accounts. Their government wouldn't let people access their own money in any substantial amount for almost a year, as they took steps to shore up their local economy. Scary right?

3. Eliminate unnecessary spending

One of the most common complaints I get is there's never enough money. Perhaps you overhear how your colleagues are always living off Ramen noodles and unable to pay their rent, yet you see them spending hours chatting to their friends on their latest iPhone. This is the perfect example of everything that's wrong with American society today. We're consumerist-driven, and want the latest gadgets now, before we can actually afford them.

Take steps to eliminate all of the unnecessary spending in your life. Your goal should be to spend your money on things that you need, not willy-nilly on all the things you want. There will be much more left over to invest in your long-term survival if you follow this approach.

Now we all know money doesn't grow on trees, but the reality is there are always ways to reduce your expenses. In a later section we'll dive into actionable ways you can reduce your spending, which ranges from driving an older car or live in a smaller house, to using logic before splurging on purchases you don't really need.

If you're used to living "lean and mean" now, you're going to have a head-start against everyone else when the collapse does come, because you'll have poured your excess cash into smart investments, stockpiling supplies and reducing your debts.

4. Move to the countryside

This one is a rather long-term strategy, and I get that it's simple impossible for most people. Your income should come first, which makes us dependent on jobs based in big cities. But if you can, move to the countryside. The rush of city life has allowed us to grow accustomed to a just-in-time lifestyle where we can literally buy anything we want, whenever we want, from massive retailers like Walmart. This mentality is literally the opposite of what you need to survive a financial collapse.

Personally, I believe now is the perfect time to move away from big cities. Going rural will give you access to more space to build a sustainable home, with a larger garden and perhaps even livestock, and it will force you to improve your planning. Trips to the supermarket require you to think ahead, as you don't have a convenience store on every corner, and if you forget something you'll have to go without until the next shop.

5. Get your food and supplies in order

As inflation shoots through the roof everything you're used to buying in the stores will be unaffordable, and in the long-run you're going to be glad you invested in a stockpile of food before it becomes scarce. Everyone needs to eat, and while inflation may be turning your cash into worthless pieces of paper, food is going to hold real value in a post-collapse world . People have got to eat.

We covered the essentials to include in your supply caches in an earlier section, so we don't need to get into the details again. What I would like to reiterate, is the importance of key resources. Without water you're not going to last more than a couple of days. You should have access to a large store of renewable fresh water, as well as the supplies and gear you need to last at least a year without going to the shops. In addition to your purchases of consumables, get a working garden going, and consider raising simple livestock like rabbits, chickens or fish to help your family reduce their dependence on the system. Our home has custom-built underground tanks that store almost three years worth of water for our family, and in addition to our primary stores, we've got other hidden caches of supplies so we'll never go without, even if looters force us from our home.

You'll be glad you put the time in now to get these sorted once the collapse occurs. After a financial crisis, it will already be too late.

6. Create a plan to go completely off-the-grid

This one is definitely a long-term approach, but is still worth preparing for in my book. In a major crisis there is a good chance the grid will go down. It's happened time and time again, and once it does, you're going to be living without running water, gas or power for an extended period of time.

Try turning your electricity box off for a weekend and see how well you fare. It's tougher than you thought, right? Now imagine going without power for a week. Or a month. Or a year.

When the power goes off, there may not be anyone left to turn it back on again. The same goes for every other utility you use without thinking, they're all run by profit-driven companies. Who's to say they'll still provide these services following a financial collapse?

Now is the time to invest in items that will make your home self-sufficient. Get a generator so you've got lights once the power goes out. Rig up a series of solar panels or a wind turbine and generate your own sustainable power. Get local approval and tap a well on your property to ensure you've always got fresh water. Putting these plans in place now will ensure your family is well prepped to survive the financial collapse and the resulting economic downturn when it strikes.

7. Get your defenses in order and stock up on ammunition

It's unfortunate, but in a post-collapse society people are going to want what you have. Especially if you've put time and effort into getting a stockpile together, you'll be targeted by the people who were too shortsighted to prepare themselves.

Without the ability to defend your family, and a stockpile of ammunition you're going to be in trouble. My advice, is to start investing in ammunition now, so you're not going to run out when the financial collapse happens. Without ammunition your firearms essentially just become expensive paperweights, and assuming you'll always be able to buy it is a fool's errand. Tightening state and federal regulations are putting more pressure on gun owners, and I can tell you now that I've already seen shortages in my local gun store.

Stock up now on your ammunition, while you still can. If you're not, you're going to be one of the only ones, and this spells trouble once the collapse does come. Being able to defend yourself and your family may prove critical in a post-collapse society.

8. Form a plan so you're ready for the worst

One of the mottos I live by is to always prepare for the worst, but I am in no means a pessimist. I hope for the best and I never, even for a minute, would want a SHTF event to occur. But I'm also a realist. I see the writing on the wall, and you've got nothing to gain by being "hopeful" if you're out on the street with nothing to eat. Now is the time to start getting prepared. We've got ample time, funds, and the ability, so put the effort in and make your survival plan.

Our next sections dive into the details of getting financially prepared, so you've got the money and the ability to support your family, no matter what happens to the global economy.

Smart strategies to start saving more

This chapter relates to one of the most fundamental basics of finance, the more you can cut your monthly expenses, and boost your savings, the faster you can reach financial freedom. As follows are my top tips to increase your savings, so pay attention and discover how to trim the fat from your accounts.

Choose the right bank

As a consumer you've got the power when it comes to choosing your bank, so do your research. I'd look for one that's got a high-interest saving account to ensure any money in your emergency fund is put to good use, and there's no ATM or overdraft fees. In general, I've found that credit unions and smaller banks will give better perks and interest rates, so shop around and be willing to ask for a better deal. You may be surprised at what's not listed on the bank's brochures or on their website.

Track your spending with apps

Personally I had a great success with Mint, which enabled me to set up certain saving goals, and track my progress through a visual "barometer" as I ticked off each one of these. Splitting a big-ticket item into actionable goals that I could realistically achieve helped me stick to my plan, keeping me on-track to becoming debt-free faster. Plus, it gives you a ton of great data on where you're money is going each month, so you can look through the analytics and trim off any excess.

Use the envelope method

The key to saving is to make it impossible to over-spend. My dad taught me this technique, after I got my first job as a teen. The trick was to split the cash into a number of envelopes, which you label for specific use. I started with "fun" money only as a teen, but this quickly grew to cover items like my cell bill, repayments on my first car, and then rent, food and utilities when I moved out for college. Once you run out of cash in say your "fun" envelope, you're not allowed to spend any more in this category. Plus, handling the cash makes it all feel real, and you'll be shocked at just how fast it disappears.

Start the 52-week challenge

If you've ever struggled to maintain a saving habit, you may be interested in the 52-week challenge. It's a great one to start after new years and your next set of resolutions, putting $1 in your piggy bank in the first week of January. In the second week, you put $2 in. In week three, its $3. You get the picture. Continuing this trend for the entire year means that by Christmas you'll be putting over $50 in a week, and there'll be $1,378 saved by the end of the year.

Get a debit card that rounds-up your purchases

Consumers are spoilt for choice when it comes to debit cards on the market, and there's plenty of options for great loyalty programs and frequent flyer mile accumulation. An interesting card that's offered by the Bank of America is a debit card that rounds your purchases up to the nearest dollar, using a program called "Keep the Change" to shift these pennies into a savings account. As you can imagine, this quickly adds up. Over the course of a year, without even changing your spending habits, you can rack up a couple of hundred dollars in a separate savings account.

Shop for produce in season

When it comes to buying fresh produce, you can save a massive amount on your weekly food bills by shopping in season, and adapting your recipes to feature seasonal produce. It's a strategy many restaurants follow to increase their slim margins, so hit up your local farmers' markets and discover what produce is currently being grown. Locally sourced is often far cheaper than what's sitting on the supermarket shelves, which has often been imported or shipped in from the other side of the country.

Always look for a deal

When Groupon became a phenomenon, it opened massive potential for everyday consumers to save. From dining out to oil changes on your car, haircuts and even weekends away, do a little research on the daily deal sites and you'll be surprised at the massive discounts you can find. The trick is to plan ahead and make your purchases before they become critical, so you really do get the best deals.

Find ways to save on your next vacation

Instead of racking up hundreds of dollars in hotel bills, seek out AirBnB or Couchsurfing hosts to cut the costs on your next trip. Admittedly, crashing on someone's sofa is a bit of an adventure, (and probably not for everyone), but you'll get a great experience, and may even make a new friend who can show you around their city. Or you could still try a last-minute-booking app to get great deals on hotel rooms, which is now even easier to do on your smartphone as you're en route to your destination.

Price check everything you buy

There's a slew of browser add-ons which help to search and find cheaper prices for items you're about to buy, from online shopping to booking flights. Tools like InvisibleHand run in the background of your browser and won't get in the way of normal internet use, and they're ready whenever you're about to buy. A similar approach also works well at the supermarkets. Go online and check through their local app to see if there's any specials or loyalty rewards for being a member.

Cut back to a single vehicle

If you can drop your family's second car, or even start using public transport in lieu of a car you can save a ton of money on maintenance, registration and the general upkeep of your car. Of course, this will depend greatly on your location, so ensure the decision you make is realistic for your situation. In my old city I lived just fine without a set of wheels for over a year, but we're so remote now that it's impossible to rely on public transport. But instead of paying off two brand new cars, we replaced one with an older model that's still mechanically sound, and already paid for in cash.

Make dining in a new experience

Start only going out to eat for special occasions. You spend at least four times more when you dine out, even at a fast food place. Preparing the same meals at home will save you money, plus its far more healthy to cook yourself. If you do go out, be willing to drink tap water instead of soda's to save more money, and seek out promotions in local restaurants to cut the cost of eating out.

Cook multiple meals at a time

I'm all for increasing efficiency, and if I'm in the kitchen you can bet I'm either making double of a certain recipe so I've got leftovers for tomorrow, or cooking a couple of different meals so I can freeze them to devour on a day I don't have time to cook. This helps cut my take-out food cost, has my family eating a little healthier, and gives the option of brown-bagging my your own lunch to the office, saving $10-15 each day I skip the fries and burger from the corner deli.

Boycott Starbucks and brew your own

Instead of spending $5 a pop on an expensive latte, invest in a French Press and some quality beans and brew your own cup of joe. Double points if your office provides coffee, but if not you can still save a ton. Making your own not only cuts down on environmental waste, my average cost of a beautifully robust espresso is roughly 15 cents. Then I don't feel so bad when I drink four a day.

Eliminate your subscriptions

Go through your credit card statement and check all of the small, recurring payments you find. Perhaps your cell phone provider could adjust your plan to a new promotion. Cancelling your cable will save over $500 a year. Do you really need that magazine subscription, and are you making the most of your gym membership? Look at every cost in detail and find ways to trim the fat.

Change to energy-efficient bulbs

It can be a tough call when looking at the initial price tag, but they're an investment that pays off in the long run. LED's take much less energy than a traditional light bulb to generate the same amount of light. Plus they last 4 to 5 times longer, so you won't be continually climbing on chairs to change the bulbs. Replacing five bulbs with energy efficient versions can save $75 a year on your electricity bill. How many bulbs have you got in your home? Oh and don't forget to turn off the lights when you're not in the room. Small changes like this in your lifestyle can compound to big monthly savings.

Turn electronics off at the switch

Our increasing use of electronics causes another waste in our homes, known as phantom power. When you've got a device plugged into the outlet and the switch isn't off, there is a small flow of power through the cord and into the device, even when a device is off. From your cell phone charger to your coffee maker, the Environmental Protection Agency estimates the average American family has up to 40 electronic devices at any given time that are drawing phantom power, creating needless waste in our electric bills.

Find someone to hold you accountable

We all let ourselves down, but it's a different story when it comes to your friends. Find someone you can talk to, and ask them to hold you accountable for your financial goals. Even if it's just a message at the end of the week to ensure you're on track with your savings, they can provide the support and advice when you need it most.

Getting your investments in order

We touched on this in an earlier section, and the following chapters will describe the details you need to follow in order to build an investment strategy that can survive a financial collapse.

Much of this is based on the advice I've been given by my financial planner, and provides an insight into what I see important. It's also exactly what I'm investing my hard-earned money in. As such, these sections do not constitute specific financial advice or recommendations of what you should do in regards to your own specific circumstances. The best person to advise you would be your financial planner, and we highly recommend you to speak with one before making any investment decisions.

It's just good, common sense.

Now before we go any further you need to have an overall picture of your entire financial situation. If you're following our guide you've already mapped out your budget and are working to reduce your debts and build an emergency fund. When it comes to investing, the key question you need to ask yourself is the degree of risk you're willing to invest.

Remember that nothing is ever guaranteed. Before putting even a single dollar into an investment strategy, do your research and seek expert advice on the benefits and downfalls of a particular investment.

How to become a better investor

Making smart investment decisions can be a challenge. There's so much contradictory information out there, especially when you start listening to what your family and friends tell you. Perhaps you've got a different opinion, or you don't quite agree with their outlook. The trick is to stay informed, make it easy, and then forget about it. Investing shouldn't consume your entire life.

1. Set it up to be automatic

Set-and-forget is my mentality for investing, as once I make a plan I don't want to be nit-picking the details every single week. I focus on the longer-term with my investments (at least 5-10 years), so all I need to do is decide on the overall strategy, and then create automatic withdrawals from my account each month.

I've got investment plans with a few different brokers which make specific investments for me on the first of every month, helping my total portfolio to grow without requiring me to do anything now it's all been setup. Easy.

2. Timing the markets is impossible

Picking the right time to make an investment is near impossible for the financial experts, so don't for a minute think you can do a better job as an amateur.

My advice is to consider investing a long-term strategy, so you ride out both the highs and the lows, benefiting from a trick known as "dollar-cost averaging." This means that if you invest $1,000 in an account each and every month, when the market is up you may get fewer shares, but when it dips you get more. Over time, it all evens out.

3. Start investing as soon as possible

Compound interest is your friend. It's a principle behind one of the greatest financial rules out there, as the earlier you start investing the faster your wealth will accumulate. This means that you'll be able to put less money away each month to meet a particular goal.

So let's say you want a million dollars. Using a 5 percent rate of return, to save $1 million in ten years you'd need to be putting away $6,440 each month. That's rather a lot, and far more than I've got to dedicate to saving.

But what if you started early? At the age of 20 you started putting $655 a month into the same account. Over the course of your career, you'd be able to retire at 60 with a million dollars to your name. Amazing right?

4. Get smart with your retirement accounts

In addition to the tax advantages of investing in a retirement account, putting your cash into standard packages like a traditional IRS or a 401(k) reduces your taxable income. This means you'll pay less tax, while growing your net worth. It's smart to make the most of your retirement accounts.

Plus, some employers will actually even match the money you put in, essentially doubling the amount you're investing. Be sure to understand the basics of the account you set up, and be careful with Roth IRAs, they let you avoid taxes now but there will be future taxes when you withdraw your funds during your retirement years. Start with the right products to ensure you're set for life.

5. Invest at your own level of risk

This one is a personal preference, and needs to be evaluated with every investment decision you make. If you're able to shoulder a big loss for the chance of a big win, you're probably more suited to risky investments. However if the thought of losing your money keeps you from getting a decent sleep at night, it may be smarter to create an investment strategy in stable assets. There's less chance for a loss, but it does limit your ability to score a big home run.

Personally I'm rather confident in my investment strategies, though they may be considered risky by some analysts I am definitely not a gambler. My riskiest investments are also very long term, as this provides the opportunity for any big downturns to be corrected before I need to withdraw the cash. Never, ever, invest your emergency funds in a gamble like this, it should only ever be done with funds that you're not going to need in the foreseeable future.

6. Stick to your plan

When it comes to investing I love the advice that you should always be doing the opposite of what everyone else is doing. You should definitely look to big investors for guidance, but pay attention to your intuition, and stick to your plan.

If a sudden turn of events hits your portfolio hard, it can be very tempting to jump online and start smashing the "sell" button. But doing so sets you up for an even bigger fall. Buying high and selling low is the crutch to every amateur investor, as you let emotion and panic guide your financial decisions.

So make a plan to counter this. With the help of your financial planner, setup a smart investment plan from day one. Consider your risk tolerance and timelines, as well as your goals for the investment and how you plan to reach these.

Of course, this strategy shouldn't be locked in stone as changing market conditions may require it to be readjusted, but it gives you a framework to stick to. And it will help you avoid going online in a selling frenzy every time your investments drop a couple of points.

7. Don't be a victim of lifestyle creep

Lifestyle creep is the enemy of wealth creation, and smart investors know to avoid this like the plague. Warren Buffett, the billionaire investor, still famously lives in the home he purchased in 1958 for $31,500. This may be a little extreme, but it represents a valid point.

As you start getting your finances in order, you'll start to free up your cash. Paying off a debt or a loan gives you additional disposable income, but there's one technique I like to use to ensure my investments continue to climb. Once I've paid off a loan, I take the regular "payment" I was making and put it into a savings account.

It's easiest to explain with an example. Lets imagine you've just finished paying off your car loan. The $500 a month that was being deducted from your paycheck is now "free" money. Instead of using it to fund a more lavish lifestyle, setup an automatic withdrawal and send this money into your savings account. You'll never even notice the difference in your monthly budgets, and the payments you're making to yourself will help you build your nest egg.

8. Avoid portfolio-based lending like the plague

This is a nasty little product that many a big-bank will push onto unsuspecting investors. It's simple in nature, as it takes the securities you've got in your portfolio as collateral for a loan. On paper it sounds great, as it allows you to take out a low-interest loan on the back of a successful investment portfolio, putting more cash into your pocket each month.

But here's the trick.

If the market goes down, (remember the housing crash?), suddenly the "collateral" you had tied to the loan is no longer enough to cover the money the bank gave you. So now you've really only got two options. Offer up more collateral, or pay off the balance of the loan immediately.

As you can expect, this has the potential to end very, very badly. Most American's will not have additional assets squirreled away, so if their main source of wealth drops in value, they've not got any other options.

If you're in dire need of cash a better option is to simply liquidate one of the assets in your investment portfolio. Then you're free to use the proceeds from the sale to buy whatever it is you need instead of one of taking out one of these horrible loan products.

9. Use a mortgage offset account to reduce any outstanding home loans

If you've still got a home loan, there's a clever way you can leverage any spare cash (like your emergency fund) to reduce the size of your loan and get it paid off faster. It's known as a mortgage offset account.

Let's take a scenario. Say you've got $150,000 left on your home loan, but $35,000 sitting in your cash savings and emergency funds. Placing the $35,000 in your offset account reduces the "total" of your home loan to $115,000, which means you're paying the bank interest on a smaller figure ($115,000 instead of $150,000).

This gives you breathing room to pay off the loan faster, while still ensuring you've got your emergency cash easily accessible, just in case. Banks have products that allow you to access the offset accounts whenever you need it, so do your research and ensure you're following smart strategies that have your money working for you.

Now we've covered the basics, it's time to get into what I'm excited to be investing in.

What you need to know about Lithium

As a resource, lithium is unique. It's a soft metal, that's silvery-white to look at, and is highly reactive. It's both the lightest metal and the least-dense of all the elements, and is best known for its use in lithium-ion batteries, which power nearly every battery-operated electronic device you own. From your smartphone to electronic cars, lithium-ion batteries are the default choice, because they store a higher charge than anything else on the market. But not only that, lithium is used to create aircraft alloys, lubricants, as well as developing heat-resistant glass and ceramics.

Why Lithium makes a good investment

As an investment, lithium is relatively new. Personally I believe this is irrelevant, as the world is poised for a massive jump in lithium demand. Miners are already ramping up production as it's a no-brainer. Nothing on the commodities market today comes even close to the growth potential that lithium holds, all thanks to the electronics revolution.

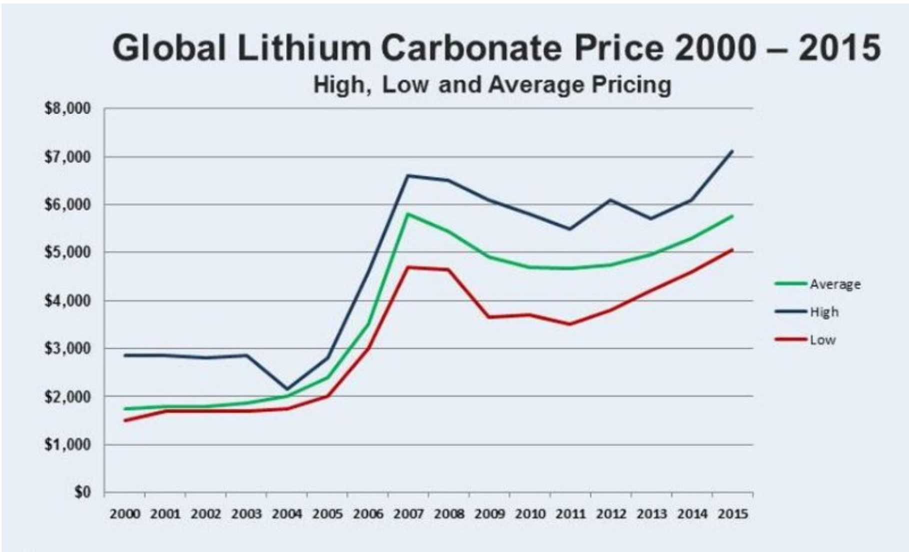
Efficient energy storage is the key behind all of the new technology being developed, and even throughout the global financial crisis in 2008, demand for lithium held strong. Now think about this. That was in 2008. Before electronic vehicles were a thing. Before everyone had to have a smartphone. Before massive companies like Tesla invested billions into battery research and development of new production factories. To me, I don't see lithium demand going anywhere but up.

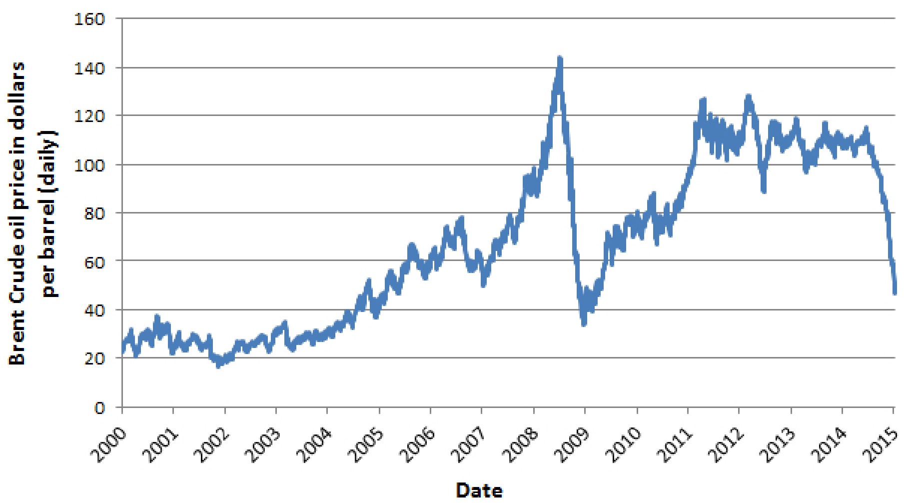
Tesla is still grabbing headlines with electronic cars, and with a little math we can start to get a picture of the global demand behind lithium. Let's say Tesla hits their target of 500,000 electronic cars by 2020, with an average battery size of 65-kilowatt-hours (requiring about 10 kilograms of lithium per battery), they'll need a minimum 5,000 metric tons of lithium per year to meet their own demand. But Tesla isn't just making cars. They're also planning on building batteries and selling these to other companies. The gigafactory they're currently building in Nevada is going to need 20,000 to 25,000 tons of lithium per year, and will produce more lithium-ion batteries in this one facility than were produced globally in 2013. It will be operational by 2020.

Now let's assume that over the next 20-30 years competing companies also get into battery production, to target the current 80 million global car sales per year. If the trends continue as governments push automobile manufacturers to reduce emissions (driving demand for high-capacity lithium batteries even higher), in addition to the general consumer sentiment towards "greener" technology, electric cars are going to quickly become the norm. Our rough figures suggest global demand for lithium will hit 500,000 to 800,000 metric tons per year over the next couple of decades. Oh and that's just for cars. Only about a third of the lithium mined is used for cars.

The latest findings from the U.S. Geological Survey in 2015 indicate there's about 365 years worth of known lithium sources if we continue mining at our current rates (37,000 tons per year). Current lithium use is split into ceramics (roughly 30 percent), batteries (another 30 percent) with the remainder going into miscellaneous manufacturing. With demand likely to rapidly overtake our current supply in the next 15-20 years, lithium is currently a fantastic long-term investment opportunity. Of course, lithium is a fairly new market when compared to traditional commodities like gold and oil, it's still too early to speculate how new discoveries of lithium-rich deposits will affect the market. Efficiencies are expected, just like the higher oil price drove innovations in cars production in the US. The reality is that there's simply not enough lithium to keep up with the growing demand, making it a prime market for investors.

Here's an example of the demand, the trend in lithium prices compared to that of oil over the same period. Take a look, and you'll see why I'm excited by this commodity that's a replacement for one of the fundamentals our economy has been built on, oil.





But don't just take my word for it. When it comes to investing, following the moves of major investors is usually a safe bet, as they've got teams of analysts pouring over data to discover where their money is best spent. In terms of hedge funds. Vanguard Funds has put $221 million into lithium investments, while Janus has dropped $187 million and Fidelity have put in $183 million. Elon Musk, the infamous CEO of Tesla has invested billions into this metal, and Warren Buffett, arguable one of the most traditional investors out there, has already invested in his own electric vehicle plant in China already. Don't let yourself be the one to miss the boat.

So where's it all coming from?

Right now the US isn't a major player, but that's set to change in the next few years. Just like the fury of the gold rush, one of the most exciting land grabs in history is currently taking place. Can you guess where? Nevada. The desert outside Las Vegas is quickly becoming prime real estate, following Tesla's purchases in 2015, tripling their land holdings. This purchase started a frenzy.

Dajin Resources bought 6,800 acres right next to Nevada's only functioning lithium mine at Rockwood, Lithium X Energy Corp bought 4,000 acres of their own, and many more companies are coming in with investments of their own. Land prices are already at a premium, and demand is only going to increase.

Right now, 80 percent of the world's supply comes from Chile, Argentina and Australia, but this is set to change as mining operations in Nevada begin operations and ramp up production to meet the rising global demand. Estimations of the Nevada deposits puts their reserve size on par with China, and significantly higher than Australia - the nation currently producing the most lithium. As ground zero for the boom in lithium in the United States, the reserves in Nevada can be extracted from the salt water underground, making it the most cost-effective source of lithium on the market.

How about the potential?

Data from the industry consultants Navigant estimates the lithium market will reach almost $16 billion by 2024 at the current growth rates, a phenomenal increase when you consider the market was worth only $675 million in 2014.

Major companies are already investing heavily in lithium mining operations because they know, the expected surge in demand over the next few years (double-digit compounded demands for lithium), is going to send the price skyrocketing. It's impossible for the current mining operators to meet the rising demand. Of course, as efficiencies are found in production and the overall price of lithium batteries drops, it will only serve to boost the market higher.

Cheaper lithium actually broadens the application of these batteries, which will only further increase the demand. This investment is one you cannot miss.

So how do I invest in this commodity?

Right now there's only two ways to invest in lithium. You can buy an Exchange traded product (ETF), which is a rather efficient way to get involved. The most popular product is the Global X Lithium ETF (also known as the LIT), which exposes investors to the performance of the lithium industry as a whole. The LIT is a grouping of global companies who are engaged in all aspects of lithium production, from mining and exploration to lithium-ion battery production. As the price of lithium increases, so too with the value of the ETFs.

If you've got your eyes on a specific company, your next best option is to invest in the stock of a company who is focused on developing and producing lithium-related products. Two of my favorite US-based companies are FMC Corporation (FMC) which operates out of Philadelphia, a chemical company that is heavily invested in lithium, as well as Rockwood Holdings (ROC), currently the owner and operator of the only functioning US lithium mining and manufacturing facility in Nevada.

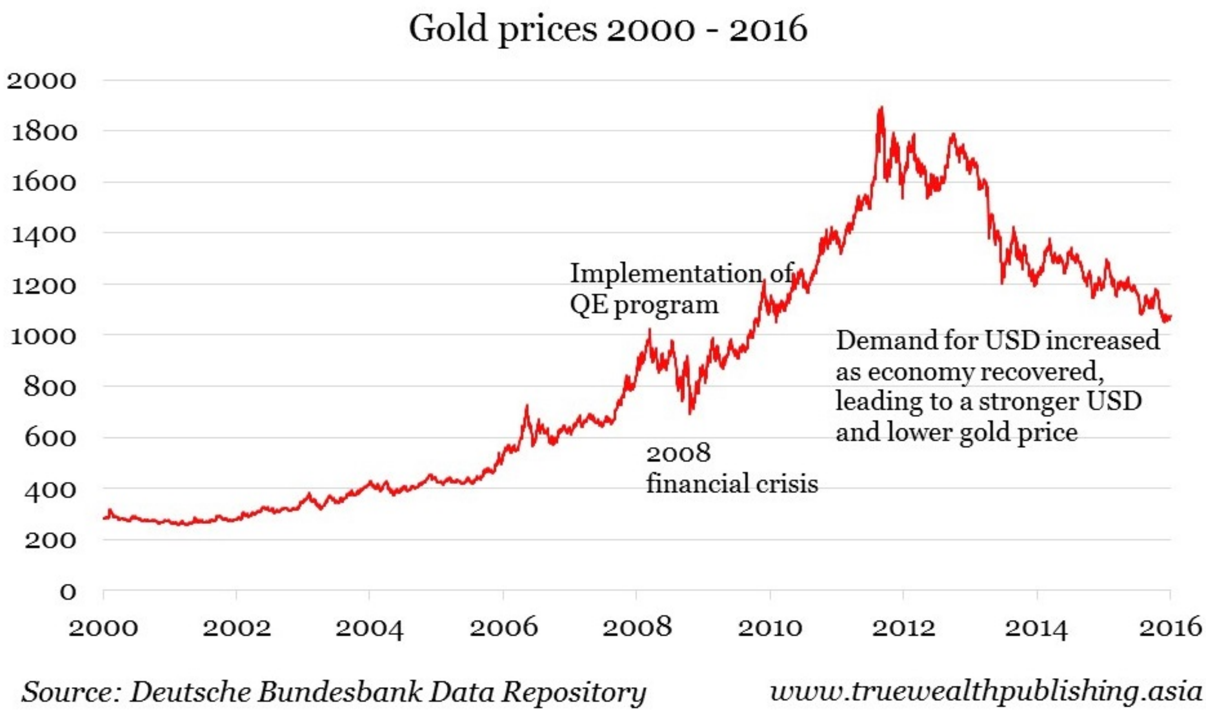
Of course, we've also got to mention the powerhouse Tesla here. Their plans to develop the Powerwall home storage and Powerpack mega batteries position it to become a leading giant in the lithium industry, not to mention their range of electronic vehicles. Once the lithium market really takes off, Tesla is going to be right in the center of it. Make sure you are too.

Why Gold makes a good investment

Gold has been a cornerstone of wealth for thousands of years. Coins discovered from 800 BC have been found to contain this precious metal, and despite recent fluctuations in the gold price, I believe investing in this precious metal is core to a financial preparedness strategy. When people get scared or the economy looks grim, investors turn straight to gold, which sends the price through the roof.

As a store of wealth, gold has been the best performing asset in history. That's right. Nothing, ever, has been able to hold its wealth like gold.

Plus, there's a nifty inverse relationship between the gold price and the value of the dollar. The US dollar is arguably the most important currency for global trade, but when it dips, much like it did between 1998 and 2008, investors flock to the security of gold. Investors all over the world. Now remember economics 101. The higher demand for a product puts upward pressure on its price.



In the lead up to the financial crisis, the global demand for gold sent the per ounce rate to record highs over $1,000 in 2008. In just four years, this price had almost doubled to just under $1,900 by the end of 2012. It's dropped off since then, but gold remains the most reliable store of wealth you can find. Period.

Right now, gold is priced just about right, and is one of the investments I recommend that you make to help you survive a crisis. Following a basic principle of investing, you should only ever buy an asset if it's at (or below) the price you would need to pay to replace that asset. Global production costs of gold are currently almost on par with the price, making it a solid asset to include in your investment portfolio. Plus it's a good hedge against inflation and bonds which are inherently tied to the value of the dollar.

All it's really going to take is another financial crisis (or the threat of one), to send the price of gold through the roof, so make sure you're ready before it happens.

So how do I invest in this commodity?

My favorite way to invest in gold is to simply buy gold bars.

It sounds a little like Scrooge McDuck, but there's just something about holding a real piece of gold in your hand. In addition to weighing far more than you'd expect, it's got a value that can't be influenced by the Fed. Gold prices are predominantly based on real supply and demand.

No matter what policy the US government is pushing or how many dollar bills are being printed, the Fed's can't really influence what a bar of gold is worth. Of course, actually using a gold bar in a day-to-day transaction is going to prove difficult, what I'd recommend is that you use it as a long-term store of wealth, to hedge against rising inflation that can erode the value of your cash.

If you're not comfortable buying gold directly, or have a significant amount of funds to invest, you may be better served with a fund. There's exchange traded funds which hold gold bullion on your behalf, to mutual funds which bring profits by investing in well-established mining companies.

Now if you have a little cash and you're a fan of risk, gold has some great options for speculative investments. There's many mining companies that are out exploring for new reserves, and there's a vibrant options and futures market where serious investors gamble on the future price changes of this precious metal. Personally, I like to keep things simple, and I really just stick to my trusty gold bullion. It's a stable and simple investment that I use as a backup plan, just in case.

Why a home makes a good investment

There's something to be said about owning your own home. It's an asset you can rely on, from a simple roof over your head to acting as a store of value, land prices tend to be unaffected by inflation, and are a good store of wealth for long term investors.

The trick is to get your timing right. Many homeowners lost money as the housing bubble drove home prices to new lows in 2012. Again, like we have said throughout much of this guide, the key is to live within your means and get debt free as fast as possible. What too many Americans did wrong was leveraging their credit to buy bigger and bigger homes, taking out second and third mortgages to buy non-value adding assets like a brand new car, expensive renovations or to simply blow on vacations. Instead of buying a $750,000, five-bedroom home with a pool, perhaps you could make do with a smaller home that you can pay off faster.

Rent was the biggest factor behind my decision to purchase my own home. Instead of sending a weekly check to my landlord for my apartment, which went straight into his pocket, I'd send my mortgage payments to the bank, which was creating an investment for my families future.

I took the time to research the local market and understand what the resale value would be, and ensured that the money borrowed could be repaid in under five years. We've since paid it off, meaning the bank no longer owns my property. I do. Nothing can take this away, well, short of the government illegally repossessing the land that is. Plus, it has helped me to reduce one of the biggest drains on my monthly income, paying rent, freeing up more cash to invest in supply caches and my growing pile of lithium stocks and gold bars.

Advanced strategies to get your dollars working harder

So what happens now you've got your ducks in a row? You've managed to put together a decent stash for your emergency fund, have eliminated your credit card debt, paid off your home, are contributing to your 401(k) and are all around in pretty good financial shape.

How do you get more bang-for-your-buck?

This next chapter is going to talk about the advanced investment strategies you can follow to get your cash working harder. But before you jump the gun and start overcomplicating everything, make certain you've got your basics covered. This means,

- You've got a budget and you're sticking to it. It's important you know where your money is going each month, including the amounts you're saving and investing.

- You've eliminated your debts. This is a little more than just getting your credit card balance to zero. This means you've cleared any student loans, have paid off your car and house, and there's nothing you're owing to any people or companies. Get your finances in the black.

- You've got a plan and actively saving for retirement. Having a 401(k) and your IRA are a basic minimum, so before you start making other plans for your money, ensure you've got a retirement plan in place and have a strategy to meet your long term goals.

- You've got an emergency fund that covers at least six months of expenses. This is your "just-in-case" money, so you're not having to liquidate any long term assets just to meet a short-term cash crunch, like losing your job or having an unexpected expense crop up.

- You save for major life events and big purchases. Things like your wedding are paid for in cash instead of racking up a credit card bill, as well as your holidays and any big ticket items like a new car. Big purchases don't wreck your budget.

If you've not checked off these categories first, your money is going to be better spent getting these covered. Of course, this can be frustrating, as we're recommending boring tactics to pay off debts like your student loans before you start investing. But some people prefer to pay off their debts while allocating a small part of their income to learn about investing. It's up to you, so make a smart decision with the help of your financial planner.

In general, there's three main ways your money will work for you

1. Put away as much money as you can, as fast as possible
2. Seek out the highest possible rates of returns on your investments
3. Be wary of fees, costs and any penalties in any investment products you buy

Now here's what I'd do to put my money to better use.

1. Start saving for big-ticket investments

When you've got extra money it can be easy to blow through it with luxury purchases you don't really need. Instead of just dwindling it away, my advice is to find a way to put it to better use.

Pick an investment that's going to make you money. Like a second apartment you can rent out on AirBnB. Or to buy into a local business and help it grow. Or start your own side-business. The key is to leverage your money to buy an asset that will make you even more.

Set up a targeted savings account to make this purchase, to start building the cash you need to buy it. Use an automatic trigger to take the extra cash out of your account each month, putting it in an interest-yielding savings account until you're ready to buy. These are easy to monitor and check your process, and while it may not be as sexy as some other investment strategies, growth through properties and business ownership are two primary channels investors use to become rich.

2. Put even more away for your retirement portfolio

If you've not got a specific goal you want to save for, give your financial planner a call and ask them for advice to get your money working harder. Usually, they'll tell you to invest in your retirement portfolio.

Reach out to your current 401(k) or IRA provider, and even company-sponsored investment portfolios may have options that allow personal investments. Sometimes there's a starting level of capital you'll need to front at first if you're buying a new product, but if you've got the extra cash these investments are a great place to start.

3. Get a specialist financial planner and swing for the fences

If your new to the investment game a good financial planner can be a great sounding board when you're considering risky strategies. The old adage, you've got to spend money to make money is definitely true, but saving is only going to get you so far.

There's bigger investments you can make to put your money to better use. Do your research and instead of simply beefing up your 401(k), perhaps you could start your own private portfolio or put your cash into index funds and options. Be careful though, chasing high returns also increases your risk, so never gamble with funds you can't afford to lose.

Annuities are another solid investment strategy, and while they're expensive and not exactly liquid, finding a good one can yield decent returns. Just make sure you get solid advice from your financial planner before you start any advanced strategies, as they can leave your money tied up for years at a time.

How to protect your money for the worst

For an individual

When you start building a portfolio of investments, it can be easy to get obsessed with your returns. Every single percentage point seems like a win, and you continue putting hours and hours into researching ways to get your money working harder.

But there's a little more to investing than just chasing a return. If you haven't taken steps to protect your assets, you could be risking it all. Everything you've built, could come crashing down. Facing a disaster like this, even a 20 percent ROI is not going to help. Smart investors don't just invest, they put strategies in place to protect against the worst. And not just the collapse of the dollar. You need to be thinking of ways to protect yourself and your family, because life really is too short.

Poverty is just one accident away

Of course, we all want a great ROI. But what many novice investors fail to realize is that without the right safeguards and insurance in place, you're just one accident away from everything you've worked so hard to accumulate.

A car crash without the right liability coverage could send you to bankruptcy, getting sick without the right health insurance could drain your assets until you're living off handouts from the state. Don't let an accident ruin your family. Stay focused on growing your net worth, and sleep with peace of mind because you're wealth is adequately protected.

Get the right insurance

Everything in your life needs to be covered, and I mean everything, Life insurance. Disability insurance. Home owners insurance. Car insurance. Health insurance. Become an insurance expert and buy the right coverage so that no matter what happens, you're covered.

This shifts all the risk to your insurance provider. You pay for this of course, but your premiums are a small price to pay to know your long-term financial security is shielded from accidents and any unforeseen events.

Finding the best products and the right providers can be complicated to setup initially, especially when you start diving into the details of long-term care benefits, and the consequences on your taxes, but it's an essential element of keeping your wealth protected. Take the time to do it right.

Don't cash in your Social Security benefits just yet

While you should never rely on social security, there's a few techniques you can use to get this performing better for your family. Plus, social security is one of the revenue streams that's safeguarded against inflation and market downturns. Keep it for a rainy day.

If you can, delay tapping into any benefits for as long as possible. This will give you a better return. Oh and if you're married, have the highest earner delay their benefits until they retire. It can help you reduce your taxable income, and it will also maximize the payout that will be made to the surviving partner. Just make sure you set up a mixture of traditional IRAs and Roth IRA's to alleviate the tax hit when you do cash it out.

Put together a detailed estate plan

In addition to life insurance policies, it pays to talk to an estate planner ahead of time, and identify ways to reduce any inheritance taxes for your surviving family members.

Setting up a trust can assist with taxes and simplify your estate settlements, but they're more complex than a will and understandable more expensive to create. The biggest difference is that a trust allows your heirs to avoid probate, giving them access to any inherited assets immediately. Wills can be tied up in court and legal proceedings for upwards of six months, so talk to your estate planner and make the best decision for your family.

For an entrepreneur

When you're a business owner, a financial crisis presents a significant risk. In this section we're going to cover the importance of choosing the right structure, to the techniques you can implement to protect against rising inflation levels.

Choose the right form of business ownership

If you're self-employed there are a range of different ways you can setup your business to reduce your taxes. Understand if it makes financial sense to be a sole proprietor, establish a partnership or corporation or create a limited liability company (LLC).

Your choice of corporate structure will have a big impact on your overall financial situation, especially if your business has some risk. Corporations and LLCs are able to offer the founders personal liability protection, but they're more expensive to setup and operate. Plus, corporate taxation is a little different, which can make a big difference in the amount your business will be paying Uncle Sam.

Of course, all of these individual protection strategies should be discussed with your financial advisor, and only once you've got sufficient protection around your wealth, should you start focusing on chasing the highest ROI possible.

Protecting your future cash flows

Once you start operating, it's critical the future cash you're owed from any contracts is protected. Ensure your business has a policy that allows you to adjust multi-year contracts for inflation. These clauses allow you to hedge your business so you don't need to make surprise increases in the price in the middle of a contract. If the economy remains stable, of course you won't need to use it, but a failure to include such a clause could significantly hurt the profitability of your business should the inflation rate rise.

Protecting your accounts receivable

The next step is to ensure you're collecting interest on outstanding customer payments. If a customer takes 90 days to pay an invoice, they're essentially "borrowing" that money from your businesses bank account. If you're not charging interest, it's the same as giving your customer a free loan. In a normal economy, I'd also recommend following this practice, as the cost of capital could be costing your business tens of thousands of dollars a year.

Protecting your cash assets

The money you've collected from your customers is your last asset you need to protect. Bundles of cash tucked away in a safe or sitting stagnant in your checking account is just losing value.

Purchasing commodities like gold can be a safe hedge against rising inflation levels, in addition to seeking out high-yielding money market savings accounts. It's impossible to hedge out against inflation completely, but you can reduce the risk.

Conclusion

Becoming financially free isn't something you can implement in a weekend, or even a month or two. It takes dedication, and often a lifetime of smart decisions, planning and strategies to maximize your wealth, your returns and your investments. Hopefully this guide has provided some insight into not only basic saving strategies but the more advanced investments you can make. Just don't forget to hedge against accidents, as well as the biggest threat. The inevitable fall in the dollar and the coming financial collapse. Those who survive are the ones who are prepared.

Be one of the survivors.