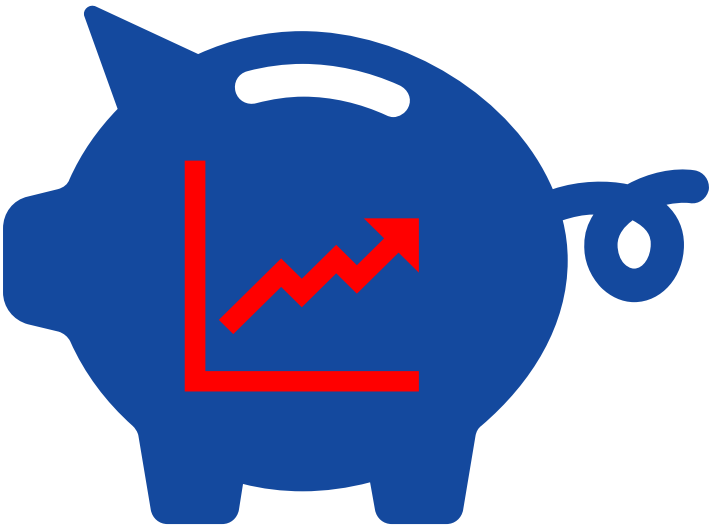
The Ultimate Parent's Guide to

MONEY, SAVINGS AND INVESTING:

Ten Steps Today to Ensure Your Kids Have Abundance Tomorrow



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question authority

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3rd Edition (12.02.22)

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BURNING QUESTIONS

WHY YOU SHOULD READ THE ULTIMATE PARENT'S GUIDE

If you give this just one hour of your life, then follow the foolproof Action Plan, your kids will never worry about money in their adult life.

Inside, we compiled 20 years of research and experience, dumbed into one plan, just 10 steps, designed to be foolproof, requiring no maintenance, and ready to automate.

Follow it, and your kids will amass a fortune, having only rich-people problems, like which continent to vacation on, or how to manage the help (good help is so hard to find…).

If you don't, or even just wait for them to be in their 20s to help them focus on this, they will miss out on 90% of the opportunity. Poof; all gone. Sorry, no soup for you.

That's not hyperbole. It's a cold, hard, mathematical truth.

Note (9/25/20): Everything in red are updates since release of the Guide in March 2019. It's timeless stuff, so not much needs updating. Everything else is just as originally written.

WHY WE ARE OFFERING IT FREE

At BadDaddy Publishing (terrible first brand in 2017 before we knew what we wanted to be, rebranded to InflationEducation.Net in December 2022), we are not selling anything (…yet).

Our incentive for capturing your email is that we hope to gain your confidence, so you will consider purchasing our upcoming line of better bedtime stories.

Update (9/25/20): The books are out! So, we are selling something, better bedtime stories to give your kids the foundation they need to be successful. Check them out at-

https://inflationeducation.net/shop/

This Guide is free, there is nothing for sale inside of it, and we are not accepting kickbacks or affiliate commissions from any of the recommended resources.

We do recommend some products and services (banks, brokerage accounts, alert services, and newsletters), but only what we use personally and very much believe in.

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Plus, we enjoyed writing, editing, and making sure our children (mine, pictured below) are equipped with these skills. We hope you enjoy reading it nearly as much.

MY BACKGROUND

This part seems vain, but as lead author (brown sweater, next page), you should know. What if I'm just some jilted anarchist hack posting rants from my mom's basement?

"Hey Ma, I'm working on another blog about the food pyramid and the corrupt, no-good bureaucrats behind it. Can you send down another PB&J? No crusts!"

So, who am I? My name is Phil Denniston.

I'm 41 (now 44), happily married and a father of four (we had twins last year, but they haven't made the "good" family photos yet). We're a normal family, just like yours-

Ashley is gorgeous, sure 😉, but still puts her pants on one leg at a time. After work, school, sports, dinner, and bedtime stories, it's ESPN or Bravo, and I lose 70% of the time. Only a stiff cocktail or two, or better yet, opening the laptop to write, gets me through the torture.

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Unlike many couples, we are very successful.

Ashley is home with the kids (because she wants to, not because anyone expects it), patching up scraped knees, running pop spelling bees, fixing dinner in the slow-cooker, and generally keeping order in the universe, enough twinkle left in her eye to stop traffic on Sundays.

Our investment portfolio is seven-figures, and we have four (five) homes, in downtown San Diego, Driftwood, TX, Austin, TX (primary), Steamboat Springs, CO, and we just finished construction on a "jungle casa" on the Pacific Coast of Nicaragua (at Rancho Santana).

My dream – my plan really – is to bounce between these locations, and write full-time for InflationEducation.net, though we have a few things to shore up first.

Below is our view from the property in Steamboat-

When I'm not writing for this project, I'm Vice President at a healthcare software company, a role I assumed after helping build a successful start-up over 15 years, taking it to an eight-figure exit for the retiring founders. That's when I was offered the leadership role by the buyer.

None of these things qualify me to educate your family on money.

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My degree in Economics (University of Colorado, 2000) most certainly doesn't. With the garbage they teach in most ECON departments, it's almost a hindrance.

What qualifies me for this role are-

> (a) I'm a voracious reader on finance and history, nearly an obsession (family time, recreation, and household chores be damned!). I've read the classics by Benjamin Graham, the new classics by Peter Lynch, and the new-new classics by Howard Marks.
>
> (b) The experience I've gained over 20 years. I've traded stocks, bonds, options, ETFs, commodities, currencies, and precious metals. I've had huge wins and crushing losses.

I'm a gobbler of the best newsletters, commentary and podcasts on financial markets.

My favorites (no particular order) are Porter Stansberry, Bill Bonner, Doug Casey, Richard Maybury, Chris Martenson, Adam Taggart, Steve Sjuggerud, John Rubino, Rick Rule, Simon Black, Jared Dillian, Mike Maloney, David Collum, Christopher Irons, Kyle Bass, Jeffrey Saut, Ray Dalio, David Stockman, Grant Williams, James Altucher, Jim Rickards, Jim Rogers, and Jim Grant.

I'll read Jimmy-Crack-Corn (and I don't care), if he's got something good to say.

My best information came from joining the Stansberry Alliance for S&A Research about 10 years ago. If you simply read Porter's Friday Digests, it'll be the best investment in your financial education you could ever make (better than an MBA in finance, and more fun).

05/31/22: I believe Porter sold Stansberry Research (or went public via SPAC). He does not write for them anymore, though they still do great work (for now, anyway). You can find Porter's new venture at Porter & Co (https://website.porterandcompanyresearch.com/). I am a lifetime subscriber to both, having followed Porter but remain with Stansberry as well.

There is little doubt that my appetite for finance and economics is not shared by you.

The Ultimate Parent's Guide is meant for people like you, not me.

You don't have the time or inclination to read market analysis, investment insights, and financial statements all day. You've got kids, work, bills, and your own interests.

You read what you like.

But you want your kids to gain a better understanding of money and investing than you ever got. You know that your children won't get that from school.

Without a good understanding, they'll be sheep on the way to get sheered if they're lucky, and slaughtered with the herd of cattle if they're not.

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We wrote the Guide to help you understand how important the gift of time is to building wealth. Your children will never have more of that than today. Time – now – is on their side.

Seize it today, and they get a HUGE ADVANTAGE.

You can give them the foundation they need, making sure they don't follow the herd into bad decisions, buying at the top, selling at the bottom, and borrowing in between.

The Ultimate Parent's Guide is meant for you, and it's the only thing you ever need to read.

If you want to continue your education afterwards, please check out Stansberry Research and the other names above. But you don't have to.

This Guide is enough for your children to become more expert than most, build massive wealth, and gain the confidence they need to be among the winners.

There are always winners and losers in the financial services industry, and much of it is built largely on the backs of losers. Don't let your children be among them.

HOW TO USE THE GUIDE

Read it through, start to finish, then follow the Action Plan.

Tuck it away to revisit every so often. The more you internalize these concepts, the more you begin to connect the dots around you. You will start to see things in the world that wouldn't raise an eyebrow before, and quickly label them as "cons" or great opportunities.

Feel free to jump over the sections that say, 'okay to skip'. Go back and read them later if you are in a hurry, or never if the whole subject bores the crap out of you. They are advanced and require active management, therefore are not part of our no-maintenance Action Plan.

Those sections will help you turn tens of thousands of dollars into hundreds of thousands, and that into millions. Master them later, perhaps looking out from your deck at the Four Seasons in Hawaii, naked and covered in chocolate sauce (rich people lather themselves in chocolate sauce often), champagne in hand, watching the sun fall into the Pacific like a ripe beach plum.

The most critical are steps 1-6 in the Action Plan. We've made them as easy as possible to ensure you don't hit the snooze button. Hit the snooze, and you'll never get off the mat.

You can do this.

Your rich adult kids will thank you, setting you up in the best of retirement communities where you will take chocolate footbaths with Chinese royalty and Russian Oligarchs.

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CAN I JUST SKIP TO THE ACTION STEPS?

Sure, and if you follow the advice exactly, you'll do fine.

But we don't recommend it, because you should know why you are taking each step. That will give you the necessary background and intestinal fortitude to stick to your plan.

Your kids will get eaten alive as adults without some knowledge transfer now. You are their first "financial advisor", and the only one they ever get without ulterior motives.

INTRODUCTION

The crooked, broken financial system is a lot like the blob.

It needs to keep growing, and it only does so by issuing new debt. Loans, loans, and more loans. The system needs your children to become debt-slaves. That's the (really) bad news.

[Need a refresher on this? Read Debt and the Marshmallow Experiment]

Want to teach your kids about this? Try book #2 in our line of better bedtime stories-

https://inflationeducation.net/product/good-debt-bad-debt-and-the-big-green-blob/

Because of this, the school system will never teach them anything about debt or money. Your kids are manufactured to be rubes. As the American icon Henry Ford once said-

It's a good thing people don't understand our banking and monetary system. If they did, there would be a revolution by morning.

Don't count on a revolution anytime soon… most people don't get it.

Stuck on the hamster wheel, just trying to get dinner on the table and make the mortgage payment, people are pacified. Numb on opioids, processed foods, pseudo-news, politics (the blame-game), and a flood of bad advice, they take money and banking for granted.

They buy into the latest predatory financial product, like the seven-year auto loan designed to goal-seek a buyer's monthly disposable income, then stick him with it until long after the new car smell is overwhelmed by rotten milk from the baby's bottle lost under the seat.

Please, don't ever get a seven-year auto loan.

Your kids should NOT take money and banking for granted, and-

(a) They don't have to… your children can be wise to the game
(b) They still have the greatest advantage in the history of capital formation (time)

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Most people don't learn any of this until their advantage is squandered.

Mathematically, learning this as a child in your home is ten times more valuable than learning it later. The very same information, with 10x the return, due to *when it is learned.*

This is a gift every child should be given, but none are.

Use the power of compounding to set your adult children up with massive wealth. It's easy to do, even with small amounts of savings. Everything you need is right here.

Follow the Action Plan, and you will have done better than 99% of parents before you.

Our perspective is a mix of the conventional and unconventional, hidden in plain sight by the peddle-pushers, particularly around the concept of money.

This is the right combination of ideas to keep your family on the favorable side of historic change, a mix that even Henry Ford would endorse.

Let's start by defining your objectives-

(a) Help your children master the concepts of money, saving, investing and compound interest
(b) Help them build, preserve and grow wealth by leveraging the time value of money

When they leave your home, they'll be masters of their own fate.

If you have any questions, please feel free to email us directly at phil@inflationeducation.net. We cannot give individual investment advice, but we're happy to discuss the concepts.

SAVING

Before your children invest, they must learn to save. Saving and investing are different.

To save is to tuck away acorns for the winter, like a good little squirrel. You forego consumption today, to build security for tomorrow. Saving has zero risk.

Investing is putting capital (or savings) "at risk" with the objective of earning a return and thereby growing that capital. Investing involves risk and reward, while saving does not.

Borrowing is the opposite of saving, and the looming pitfall to financial freedom.

Deferred gratification – producing more than you consume, and saving the difference – is the key to success. Simon Black calls it "the universal law of prosperity"-

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[The Universal Law of Prosperity | Sovereign Man]

True for individuals, communities, companies, and countries, savings rather than borrowing brings true freedom. As the sky is blue, this will be true for your children.

Unfortunately, this is not behavior we are modeling as a culture. Instead, you and your children are encouraged to borrow ever more, and for consumptive purposes.

[Need a refresher on this? Read Debt and the Marshmallow Experiment]

Much of the debt in the world today is toxic. The likelihood that it gets repaid is far less than 100%, yet most of it is "securitized", meaning packaged and sold to investors and treated as assets on the balance sheets of insurance companies, pensions, and hedge funds everywhere.

Perhaps one of them owns your auto loan.

You can practically trace it all back to some Hill-Billy named Chuck in Little Rock, Arkansas with a 586-credit score and a seven-year 120% loan-to-value on a 2013 Chevy Silverado. And guess what? Chucky just walked out of Best Buy with a 60-inch Samsung, no money down.

The whole thing is a house of cards, and the breeze is stirring. The credit cycle ebbs and flows between boom and bust, like winter follows summer.

Most of what we all call "wealth" today is debt, or relies heavily on it. Debt is really just a promise to pay. Asset values depend heavily on Chucky making his payments and the lending standards of his creditors. Why do we focus on debt in the section labeled "Saving"?

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(a) Borrowing is the opposite of saving. Instead of putting away acorns for the future, it is bringing acorns forward, from the future, to gorge on now, at the expense of tomorrow. If *producing more than you consume and saving the difference* is the "universal law of prosperity", than *consuming more than you produce and borrowing the difference* is the universal law of poverty, hardship, destitution, and failure (pick your antonym).

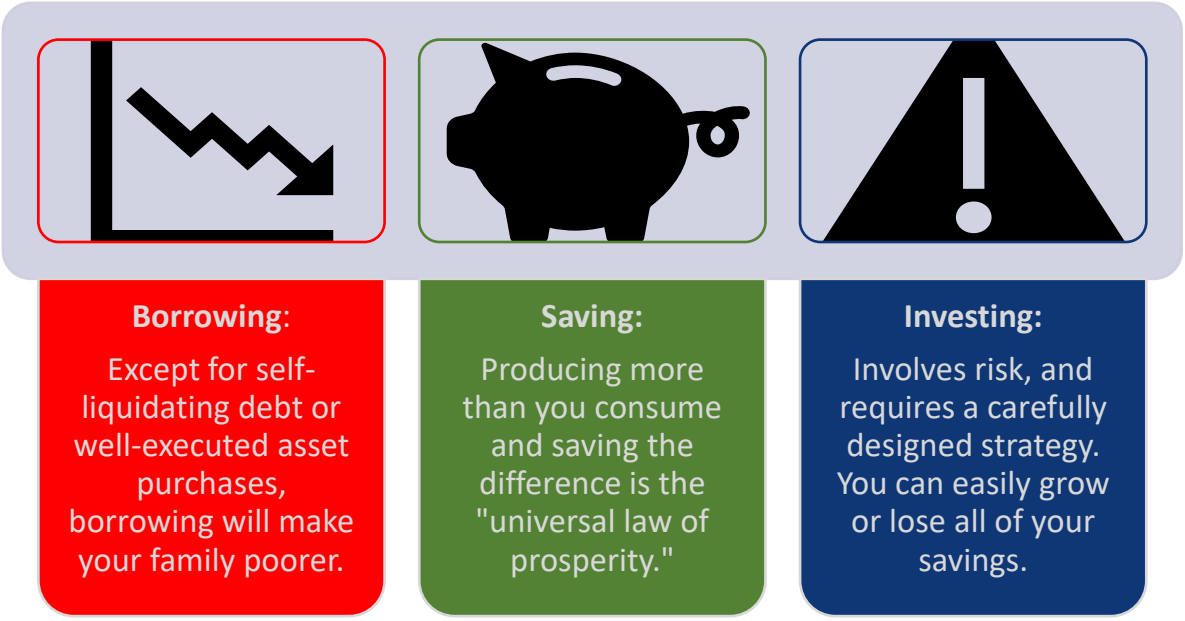
(b) The world is debt-addicted (the paper money system demands it), and when Chucky starts missing payments, the whole thing goes up in flames. Savings will afford the opportunity of a lifetime, picking up assets on the cheap from desperate sellers.

We need your children to become savers now, building good habits they will carry with them for the rest of their lives, and before they have their own living expenses.

All their income as children (from allowance or odd jobs) is now disposable. If they learn only to dispose of it on worthless trinkets from China, the hamster wheel begins, signaling a lifetime of struggle, plus they miss 90% of the opportunity to accumulate massive wealth.

They must start saving now, half of anything they earn at a minimum, and much more once they truly begin to understand the opportunity-cost of spending today.

We all think we know this, but few teach – and even fewer model – these important concepts to kids. Instead, they are tossed to the wolves and preyed upon at the young age of 18.



Unlike borrowing or investing, saving will never result in losses (though you may see changes to purchasing power due inflation or exchange rates).

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Did you know there are many forms of money than can be used for savings – currencies and metals – and some are better at holding their purchasing power than others?

MONEY

Most of us don't think too much about money as a concept.

You're always thinking about what you would like to do with it, and how to get more, but you don't spend time thinking about the *ESSENCE* of money.

The string-pullers like it that way (because it allows them to quietly control the supply, to create money from thin air and pad their own pockets). Your children *need to be in the other camp*.

Your kids must be the ones that *do think* about the essence of money (so they know how to be among the winners, and to spot a con-game when they see one).

For something – from socks to salad dressing – to play the role of money effectively, it must possess four key attributes. These were qualities first theorized over 2,300 years ago (in the mid-300s BC) by the ancient Greek philosopher and scientist, Aristotle-

1. It must be durable (it won't easily weather, dissolve or deteriorate).
2. It must be portable (it can be easily transported given its size relative to value).
3. It must be consistent and divisible (it can be broken into smaller denominations).
4. It must be intrinsically valuable (it should have value on its own, implying scarcity).

Want to teach your kids about this? Try book #1 in our line of better bedtime stories-

https://inflationeducation.net/product/where-does-money-come-from/

Lots of things have played the role of money in different societies through time, from salt to seashells, and cigarettes to cattle, but none as well as gold and silver.

Few items check all the boxes like those two elements of the periodic table. Can you think of anything else that does?

How about diamonds? They fit #1, #2 and #4, but not #3.

Cattle fails on #1, #2, and #3. Seashells on #3 and #4 (in coastal areas). Cigarettes on #1, #2, and #4 (except in prison). Salt fails on all but #3.

Ashley brings home too many damn shoes for those to work, even if they all look the same to me. Likewise, chocolate is too plentiful (I'm bathing in it right now).

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BITCOIN AND CRYPTOCURRENCY

Bitcoin and other crypto currencies are wonderful at #1 (assuming network availability), #2, and #3. They promise scarcity by building limits into their algorithms, but ICOs (initial coin offerings) have abounded as copycats, frauds, and better mousetraps are born among the mania, proving they are all replaceable, especially as technology and governance changes.

9/20/20: We love the concept of Bitcoin, and see it as a supercool speculation, but not a safe asset like holding gold. Hear more on our appearance on the Trend is your Friend podcast-

https://podcasts.apple.com/us/podcast/bad-daddy/id1505440231

5/31/22: Bitcoin shares some of gold's great qualities: scarcity, utility, and no counterparty risk. It's even better than gold at portability and divisibility.

Might it then be better than gold to serve as money? Well, let's give credit where due. Bitcoin is a fantastic innovation, born into existence for the same reasons as this community: The fiat, debt-based money system is a giant fraud, the root of nearly all the world's biggest problems, and an ever-thrusting, stiff baton in the backend of the 99%.

In theory, Bitcoin is a libertarian, utopian, free-market-money dream. A digital, decentralized, borderless, non-government token with a limited supply to serve as medium of exchange and store of value? It seems so obvious now… Like, duh, we should definitely have that!

The risks, though, are significant.

We bucket them as (a) regulatory, and (b) market-driven:

(a) Government's hate competition. The more Bitcoin serves as a substitute for (and escape hatch from) the US Dollar, the more they may consider making it illegal.

The counter – why the government won't crush Bitcoin – is that making cryptocurrency illegal will chase innovation in decentralized finance and technology out of the USA.

Innovations in 'DeFi' and 'FinTech' are creating massive opportunity and bringing huge inflows of capital to the shores of those countries that embrace them.

Despite strong arguments against it, the powers-that-be in many countries are outlawing Bitcoin. If it gets outlawed (or an 80% excess profits tax is levied), look out below. You won't lose 100% of your money, but it'll be close. That's your worst-case scenario.

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(b) The market risks relate mostly to better mousetraps. There are (and will be) more cryptos. Might others better serve the market?

The counter here is that as first-mover, Bitcoin has a huge, built-in advantage from the network effect. While there are others, Bitcoin is the gateway to them all, the global reserve currency of cryptos. There won't be just one winner, but the beautiful, equitable, enduring design of Bitcoin is likely to keep it around in this role for as long as cryptos are a 'thing' (so, at least until WWIII is settled, and wipes out the Internet…). As Albert Einstein said, "I know not with what weapons World War III will be fought, but World War IV will be fought with sticks and stones".

The elephant in the room, is Bitcoin in a B-U-B-B-L-E? Before we explore that, remember that nearly all financial assets – stocks, bonds, real estate – are in bubble territory today, but that doesn't necessarily mean they're coming down in nominal terms.

This may be the crack-up boom, that comes at the expense of the currency.

The other side of every chart, the measuring stick, is the dollar, inflating at a rate never before seen, a marriage between Central Bank and government gone completely mad. There will be deflationary waves, but if they break the currency, nothing – especially not Bitcoin – will fall for very long. Bitcoin's run may be the canary in the coalmine, the perfect escape hatch for wealth… easy to get into, easy to move across borders, and easy to get out of.

But that takes us back to point (a). How could they not kill it?

Before we talk ourselves in circles (a perk of living in the fake-money era, like riding the merry-go-round at Disneyland, where nothing is real and everything costs a fortune), Google the chart.

Yup, that's one crazy chart.

If you zoom in, it's looked like a bubble before, and those little speedbumps just seem quaint in retrospect. That it came back from the 2018 crash says it's probably got more fuel in the tank.

Is Bitcoin so new, so under-owned, so perfectly timed (a perfect solution arriving just as the problem it solves is erupting on a grand scale), and so volatile, we should be using a log chart?

Probably. Am I saying 'buy Bitcoin'?

No, but I own some, and am a buyer especially when it falls. Do not borrow money to buy Bitcoin, and do not put the rent money in Bitcoin. It's an awesome speculation on the future of money – taking the power away from governments. We should all hope it succeeds!

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Bitcoin is the ultimate binary asset. It either goes to the moon, or drops 98%. It could still do both. Some would say it's already been to the moon and back, and now it's headed for Mars.

Trade accordingly (small position size), and have a plan for either scenario, the best- and worst-case. So, gold or Bitcoin, Bitcoin or gold? Well, that's not a question anyone need's to ask. The world is a better place with both of them in it. It's not gold or Bitcoin, it's gold and Bitcoin.

Want to know the backstory, the beautiful design, and be able to explain it to your kids? There's a bedtime story for that!

https://inflationeducation.net/product/the-beautiful-bitcoin-book/

THE US DOLLAR

How about the almighty dollar (USD) in your wallet?

Well, like cryptos generally, the big miss for the USD and other government-issued currencies is on #4, especially when we give the powerbase the ability to create money with a keystroke.

Who could be trusted with that power, to create money from nothing? Do you know anyone that would not be corrupted?

Even for the best among us, the road to hell is paved with good intentions.

If your bleeding heart was given the power to print money and took on only the most altruistic projects – no cronyism, no graft, no bombs, no drones, no warfare – you'd still destroy the currency in short order simply trying to accommodate all of your "good causes".

We don't have to guess where today's system of money leads.

We need only look back on the pages of history. This is far from the first time that humans and their governments got cute and tried to use paper for money.

From the Tang Dynasty (618-907) in China, John Law's experiments in France (circa 1720), Weimar Germany in the 1920s, Zimbabwe in the 1990s, to Venezuela today, it always ends in disaster, characterized by booms, busts, inflation, and eventually, complete collapse.

Booms and busts… sound familiar? Collapse can't happen here though, right?

Sure, it can, little snowflakes.

We're no more special than the monkeys that came before us. Predictable as clockwork, and driven by the rawest of human emotions, like fear and greed.

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Before 1971, the string-pullers couldn't print money in unlimited quantities. Money was gold (and silver). The US Constitution required it, damnit.

The Constitution still requires it, actually ("no state…shall make anything but gold and silver Coin a Tender in Payment of Debts"). But, no one reads that old scroll anymore.

[Need a refresher on this? Read We're Headed Back to a Gold Standard]

Monetary history tells the tale of where we are today, how we got here, and where it leads. And crazy as it seems, few are paying attention.

Except us, of course, so pat yourself on the back... *"Honey, can you get the chocolate fountain going? I'm all studied up and ready for my afternoon soak".* 😉

Monetary history cannot be lost on your children if they're to be among the winners.

If they prefer to pop Percocet's, collect disability, and watch daytime television in squalor while the Chinese eat their lunch, then by all means, trust the system.

When Nixon closed the gold window in 1971, limits were removed on the government's ability to create money. The booms and busts have only grown in magnitude since, as the credit cycle has replaced the business cycle, and value of the dollar is ravaged by inflation.

So, what can you do to help your children understand the essence of money, what it means to save, and the hideous inflationary deceit of a crony system?

Put your family on a silver standard.

PRECIOUS METALS

The Coinage Act of 1792, signed by none other than George Washington himself, defines one US Dollar as 371.25 grains of pure silver, which is about ¾ of an ounce.

At today's prices of $16 dollars per ounce ($23.17 on 12/2/22, up 45%), that's 12 (17) bucks. So much for the coinage act, and the value of the dollar, down 92% (94%) relative to silver.

The good news is, George Washington's good sense can live on in your home. You can have a Coinage Act of your own. Start paying and saving a portion of your children's earnings in silver.

With about 15% of savings, help them get one-ounce silver coins, American Eagle or Canadian Maple Leaf, for a piggy bank or lockbox. APMEX is a good dealer (www.apmex.com).

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To avoid shipping and insurance, get a tube of 20 for $400 (now $500+) or a "Monster Box" of 500 at $9,500 (now $12,500+), and hold the rest. Use them to pay allowance or for chores, putting your family on a silver standard, trading work (or currency) for precious metals.

One ounce of silver today sells for a "spot price" of about $16 ($23). Depending on your budget, that might be the monthly, biweekly or weekly allowance.

Buyers always pay a little over the spot price, especially when buying in smaller quantities. Likewise, when selling into the market you receive a little bit less than spot.

This "spread" is necessary for dealers to service the market, holding inventory, etc. You won't worry about it, because the intent of saving in silver is just that, SAVING. Funds intended to soon be spent or invested should not be converted into silver. They can stay in dollars.

Saving in silver…why is this important?

Your kids need to learn the difference between "hard" (or sound) money and "fiat" money, and to think about what it means. The world's paper money system is unraveling, right now.

You are witness.

Let me stay that again: the world's paper money system is starting to unravel. 9/25/20: This is accelerating now due to the government response to COVID-19!

5/31/22: The CPI is running at over 8%, inflation is realistically double that, the Fed is trapped and can only try to contain it by crashing the stock, bond, and real estate markets, which won't fix supply chains, and the clowns in government think the answer is to print more money so people can drive gas prices higher while taxing producers (so they can raise prices even higher).

Meanwhile, by freezing Russian Dollar Reserves, we signaled to the world, "your US Dollars are no good (so trade them for real stuff)". The unraveling is upon us!!!

This report – and our books – are more critical than ever. Buy gold, silver (and Bitcoin, if you have the stomach for it and can afford to see that position confiscated, i.e., $0.00).

Right, freak'n, now. Your children will be witness.

You can see it in the distorted prices of financial assets, the booming and then collapsing stock, bond, and real estate markets, the student debt crisis, and the advent of cryptocurrencies.

[Need a refresher on this? Try The College Debt Bubble]

They can't teach these concepts en masse, or it collapses the system. It's a "con game". All confidence games need rubes, and that's your kids. Remember what Henry Ford said?

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If your kids "get" these concepts early, they will run circles around the huddled, confused masses, and watch with a knowing smile when things unfold just as they expect.

History is ripe with examples of what happens when governments untether the currency system from metals. It's happening now, and your kids must be "in the know".

The government (and the Chinese) will eat them for lunch if they're not.

The downside to silver coins is they don't pay interest. This is because unlike money in the bank, they are not loaned out (which is where the interest comes from).

This is a feature (or benefit), more so than "downside".

It's a tradeoff. The forgoing of interest is the premium your children exchange for the safety and security of holding this portion of their money at home, in their possession. It's like putting cash under the mattress, except it won't be ruined by inflation like paper dollars.

No matter the price (fixed in the coinage act, but since abandoned and now floating freely), ten ounces of silver will always be ten ounces of silver. In silver terms, there is no risk of loss. This distinguishes savings from investment, where capital is at risk in seek of returns.

Did you ever consider that physical ("hold in your hand") gold and silver are the only financial assets that are not simultaneously someone else's liability?

Everything else – stocks, bonds, ETFs, mutual funds and cash in bank accounts – have a counterparty. They are a "promise to pay" that can be defaulted upon in a crisis or bankruptcy.

Oops, sorry. Chucky missed a payment on the Chevy. No soup for you!

The other "downside" to metals is the uncertainty around the exchange rate, since the market price for gold and silver in dollars floats (meaning it can go up, or down).

However, you should consider these silver coins a near-permanent – as opposed to speculative – position you are building with your children.

They're not going to sell these coins except in (a) an emergency, (b) a bubble develops in metals, or (c) big life events, like buying a home or starting a business.

Because the money supply is constantly growing, despite ups and downs in the short run, the nominal price of silver rises as it holds its purchasing power against a declining currency.

In summary, silver (and gold) coins should be used as savings vehicles, not investments (but they could have nice upside when confidence in paper currency is lost, yet again).

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But wait… aren't "gold bugs" a joke? Mainstream investment advisors and Central Bankers the world over call gold (and its cousin silver) a "barbarous relic".

First, watch what they do, not what they say. Last year (2018, but surpassed in 2019), central banks added more than 20 million ounces of gold to their reserves, up almost 75% from 2017, the 2nd highest increase ever, and highest since 1971 (remember what happened that year?).

Russia was the biggest buyer. Remember that when we start talking about currencies.

How about your financial advisor? *Don't waste your time,* they say*. As Warren Buffett once said, all the word's gold would fit inside a baseball infield, and sit inert, forever, never growing or producing anything… (*ahh, that's the point, that it would sit safely and scarcely*).*

In his latest annual letter to shareholders, Warren Buffett attacked gold yet again: "The magical metal (gold) is no match for American mettle (businesses)", he opined, recanting gold's rise of 37 times over 77 years to the U.S. stock market, which grew 5,288 times.

Well, aside from selection bias in the stock indices (failing companies are replaced with successful ones), this is an accurate statement. Where ol' Buffett gets confused is comparing precious metals to stock investments. Gold and silver are money. The right comparison isn't against owning businesses. The right comparison is against holding paper currency.

In that race, the winner is clear. The USD has lost 97% of its value since the Federal Reserve was created in 1913. I'll take the proven form of money over the long haul any day; the one that can't be printed up out of thin air by desperate, reckless governments.

Mainstream investment advice is first a slave to the debt-based money system. It needs to keep you inside the matrix, preserving the con. Only after that may it have some utility.

Gold and silver are money, and always have been. Help your kids understand this.

Start with a silver standard in your home, buying a lifelong education that not one in 1,000 other children will have until it's too late (after they learn the hard way).

Keep adding silver at 10-20% of savings, adding coins to the piggy bank, including gold at $1,325 per ounce (now $1,858) if or when they can afford it. Get a safe or use offsite storage for gold.

Download our free Money-Matrix to run your household on a silver budget, with regular allocations of silver coins or cash in exchange for chores. It's a snap.

The Money-Matrix tracks what is owed, and when, showing how much to set up in auto-transfers to easily manage how much children earn, save, and spend in various forms. Presto.

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Your kids will ride first-class to Mars alongside Oprah, Elon Musk (if he survives the impending collapse of Tesla) and a bunch of chocolate-covered Chinese billionaires, while the peasants in coach share prescription drugs and race-bait over socialist politics.

SAVINGS ACCOUNTS

With interest rates on checking and savings accounts below the rate of inflation, should you bother opening a bank account for your kids?

As an adult today, you can't get by without it.

Learning to balance a checking account, write and deposit checks, read monthly statements, compare interest rates and fees, use ATMs and mobile banking, are skills worth having.

While it's true these systems are being disrupted (long overdue), your kids will need a bank account to participate in other investments. Plus, banks – the giant, blood-sucking squids that they are – have so much control today, it does makes sense to "learn the ropes".

Put the rest of their savings inside a run-of-the-mill savings account.

Check out both big and local banks or credit unions to shop convenience and interest rates. No need to overthink it, just make sure the account is FDIC insured, and has no fees.

Review monthly statements and online banking with your kids and help them to understand the importance of never sharing passwords.

Put their account documents in a folder and write down the price of a gallon of milk or loaf of bread on their first statement, then sock it away together in a drawer.

The value of the dollar is being inflated away as a policy course by the grand wizards in DC, and interest rates on savings accounts – while climbing – remain paltry.

Watching this insidious force confiscate purchasing power over time is an important and difficult lesson, as-is comparing the purchasing power of their dollars versus silver.

Cash – imperfect as it is – is king in a crisis, and you want your kids to be buyers of assets, not sellers, when there is blood in the streets. The savings account is their "dry powder".

The next time stocks crash 40-50% (and they will), your kids will prey on the weak, investing this cash alongside titans of industry like Warren Buffett, Howard Marks and Ray Dalio.

"Be greedy when others are fearful, and fearful when others are greedy", they'll say, cigar in hand, slipping naked into a chocolate bath, Chinese gardener picking weeds out back.

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With a solid understanding of money and the importance of saving, a collection of silver coins at home and a growing bank account, it's time to think about investing.

FOREIGN CURRENCIES (OKAY TO SKIP)

Should your children save in foreign currencies?

Totally unnecessary (unless you'd like to help them think about exchange rates, and the relative management of money supplies by foreign central banks).

The big distinction – the elephant in the room – is between sound money (gold and silver) versus paper or fiat money, which describes all government currencies today.

Among paper currencies, the US Dollar is the world's "reserve currency", thanks in large to the Kingdom of Saudi Arabia's (KSA) willingness to accept only USD for oil in exchange for military protection. Because of foreign need to hold dollars to buy oil, it tends to be a stronger currency, holding purchasing power relative to others (with some exceptions, like the Swiss Franc).

One keynote about being the world's reserve currency is that generally, it shifts. Prior to the end of WWII, the British Pound held the distinction, and there were many before that.

The currency of the world's most powerful country has generally been adopted as a standard for international trade, but tomorrow is promise to no one.

We are not special, and this time is never different.

When the dominant country falls into decline (as all have before us), especially if it debases its currency at the expense of trading partners, the world seeks a substitute.

That is happening now to the US Dollar, and the rate at which Russia and China (Iran, Turkey, and others) are accumulating gold hint at their designs to crown an alternative.

It should not come as a surprise if one or perhaps an alliance of countries announces a gold-backed currency in the next 5-10 years to dethrone the US Dollar.

The Chinese continue gaining power and the Yuan (a.k.a. Renminbi) will capture more international trade from the USD, while US relations with Saudi Arabia are now fraying.

What happens when KSA no longer requires USD for oil? OMG, my friends. OMG and WTF for sure. If the demand for US dollars drops internationally, the homecoming flood of dollars will overwhelm prices for tangible assets like land, food, energy (and everything else) in the USA.

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So, should your kids speculate in the currency markets?

Sure, if it engages their curiosity and they have the capital, but how likely is that? Plus, we can think of better pursuits and markets to study for their time and money.

If you like foreign currencies, you can get all your banking and metals needs met by one bank, TIAA Bank (https://www.tiaabank.com/). They can open checking, savings, and brokerage accounts in metals, US, and foreign currencies, and move money between them.

They have even offered "market safe" Certificates of Deposit, that allow you to participate in some upside in metals and currencies (up to 50% on your principal) without any downside.

No downside, with FDIC Insurance, on something other than a bank account? It always felt too good to be true, but you can be alerted if and when they issue more of these-

https://www.tiaabank.com/investing/marketsafe-cds

All that said, why horse-trade foreign currencies at the glue factory?

Consider foreign currency investing advanced and unnecessary, but available to experiment with for those finance geeks emboldened enough to do it.

For most, keeping cash positions split between dollars and physical silver (and gold) provides the best of both worlds, and the education your kids need.

Just pass go, skip the Chinese Yuan, and save $200 (in silver) instead.

INVESTING

Ah, the best part… building a foundation in finance not soon (nor ever) forgotten.

The key advantage to building massive wealth through compounding is time, and the people who have the most of it are kept in the dark until their advantage is gone.

What kind of parents are we? They should be teaching investing in schools everywhere. Aside from basic math and science, they're mostly just brainwashing.

Our goal is to open your children's eyes to the power of compound interest while they still have so much runway. To be young again, but know what you know now, right?

Remember the first lesson: investing is not saving.

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Wealth-building with investing is not guaranteed. It involves risk of loss, and the financial markets are quite good at separating a fool from his money.

While we touch briefly on other asset classes like bonds and commodities, the easiest and best way for your children to learn and participate in investing is through the common stock market, i.e. “equities”. Other asset classes including real estate can be explored when they are older.

Most who invest wisely in the markets don’t learn how until their 40s, and by then, they have already fizzled away the greatest advantage in the history of capital formation.

The experience for many is much worse.

Perhaps you don’t consider yourself an “investor”, and don’t care enough to learn. For a while, that feels right. But then you hear stories from friends making big money in the market with the “FAANG” stocks (Facebook, Apple, Amazon, Netflix and Google) or companies like Tesla.

You feel left out, and after years on the sidelines, you decide to join the party. You open a brokerage account or start participating in your employer’s 401k.

You buy the latest fad stock, promptly get slaughtered, lose your shirt, and sell in a panic.

You swear off stocks for 7-10 years, until it all happens all over again, just like before. The last one to the party, you eat the losses yet again. Wash, rinse, repeat.

Don’t let your kids be in this cohort.

When the “ducks start quacking” (the masses start chattering about Netflix and Tesla in bars, Ubers, and cocktail parties), a big correction is probably approaching. Buying then due to FOMO (fear of missing out) is foolhardy. You are literally getting in line to be the greater fool.

Conventional wisdom says to stay in stocks for the long haul; buy low, sell high. But emotion – fear and greed – usually dictate the opposite, buying high and puking it up at the bottom (like that time you did keg-stands freshman year, then threw up all over your bedspread).

Don’t throw up all over your bedspread.

With the glory days at Ball State now in your rearview and a family to support, it’s time to learn a better way. No one can consistently time the market, but with the experience you and your children will get in our Action Plan, you will develop a better sense for all of it.

The first step is to start small, adopt a buy and hold mindset, and commit to regular contributions, no matter how tiny.

This approach will allow you to welcome the downturns, when stocks go “on sale”.

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The world today is unlike any other before it. Your kids can start young, start small, and get good. In the past, transaction fees precluded successful investing on a small scale.

Today, we no longer have to worry about transaction fees that in the past would have necessitated larger purchases. Your children can now be permanent stockholders!

They can build experience, learn to manage their emotions, and have the gift of time, the one (and only) ingredient that can safely turn small deposits into large fortunes.

With their lifespan, the math is astounding. They can amass literal millions – become filthy rich – while they are still young enough to enjoy it.

Let's look at an example: Say your kiddo – let's call him Tommy – scrounges $400 to invest at age 10 and adds $15 per week through allowance or odd jobs ($780 total per year).

Each year, he raises his contribution by 15% (so when he's 11, he adds $897 for the year, and by the time he's 23, he's contributing about $3,600 annually). This is realistic, conservative even, for about 25 years. After 25 years (when he's 35), we'll reduce the annual increase to 5%.

By age 42, Tommy's a millionaire. By age 60, he's worth $8 million.

What about Tommy's sister Emma, who's only five?

Start there, and Emma is a millionaire by 37. By 60, she's worth $13.5 million, 88% of which is capital gains, i.e. profit (not money she ever had to deposit).

At 60, the annual growth of her portfolio is $1.25M. That's well over a million dollars, every single year, for doing nothing. Five years later, it grows over $2 million per year.

If she loves her job, she can keep contributing and let it ride. Her stock portfolio will hit $37 million when she's 70, and cross $100 million by age 80.

Or, she can retire young, traveling the world on interest income.

Aside from starting a successful business, this is the way that generational wealth is built. And you can start now, for your family, with some simple steps today.

If you wait, and your kids don't learn this until they're 20, more than 80% of the wealth they would have built by age 60 vanishes. Start at age 30, and 95% of it is gone.

Poof.

You cannot let this opportunity pass you by. There is no going back.

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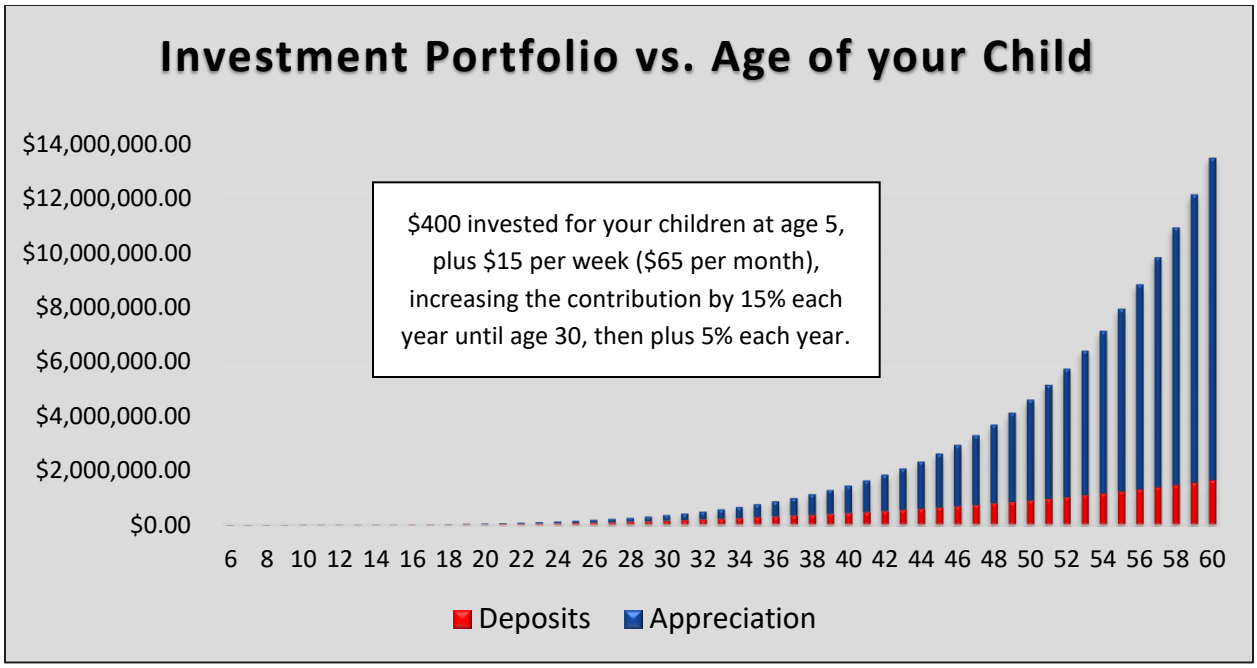

Our example has two big assumptions, namely that your children achieve the stock market's average annual return of 9.8%, and they keep contributing every year.

Are these realistic?

Not if you buy the wrong stocks, or don't build good habits. But, you're going to do those things. That is why you're reading today, and what our Action Plan is for.

If you follow it, your children will be savvy enough to keep this up. In fact, they may start out with even higher savings rates, which is like pouring gasoline on a fire.

Notice most of the growth in the graph happens towards the end. This is the nature of compounding, which creates an exponential function.

Exponential functions all look like hockey sticks, eventually. The key is to start early. If you wait until they are adults, they'll miss most of the magic. Amazing, right?

The great Albert Einstein called compound interest "the most powerful force in the universe, and the greatest mathematical discovery of all time".

This is the guy who discovered that $e = mc^2$, the theory of relatively describing the relationship between energy and mass in the universe. Most people would call *that* the greatest mathematical discovery of all time. Not Einstein. He knew it was compound interest.

Why don't others agree? Because they don't get it. Their brains are too simple-minded.

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Dr. Al Bartlett (another famous physicist, and a professor of mine at the University of Colorado at Boulder) explained "The greatest shortcoming of the human race is our inability to understand the exponential function." Exponential functions all turn into hockey sticks.

How would you like to turn your children's nest-egg into a hockey stick? Start now!

The best advantage in the world to building massive amounts of wealth is time, and the people who have the most of it are kept in the dark until their advantage is gone.

Will they ever teach this stuff in school? In China, maybe. What kind of parents are we if we don't put a system like this in place with our children today?

The term "boneheaded" (among others), comes to mind.

DRIPS

Now let's talk nuts and bolts.

When you buy a companies' stock, that is a share of ownership in the business. Your kids will own (part of) the company.

A key to growing wealth and keeping fees and taxes low is to reinvest "dividends". A dividend is the portion of a companies' earnings issued to shareholders generally on a quarterly basis.

Not all companies issue dividends (they may be in high-growth mode, reinvesting back into the business, or they may not be profitable). The ones you'll buy with your children will pay dividends. Generally, they are established companies that should be around for a while.

Rather than take the dividends as a cash distribution, you can reinvest it into more shares of the company at the prevailing price. This will add fuel to your compounding fire.

Most dividend-paying companies have or are eligible for "DRIPs", or dividend reinvestment plans. DRIPs allow your children to maximize compounding interest at no extra cost.

Incoming dividend payments for shareholders are used to purchase more shares of the underlying company's stock without transactional fees.

Another benefit is they automatically buy more shares when they are cheap, and less when the ducks are quacking. This is called "dollar-cost-averaging".

Hundreds of companies have developed their own DRIPs, many of which have no-fees. You can sign up with the company directly, or through a broker after you purchase shares. We found and recommend an ideal brokerage option you may choose to use below.

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DRIPs mean more money goes to work on your behalf, increasing your children's rate of return.

PICKING STOCKS

You want your kids to become long-term business owners, not traders jumping in and out of positions. Therefore, we need them to buy a certain kind of business.

They need companies that will be around for a long time. Usually they have powerful brands, are not overly cyclical in nature, and don't require a ton of capital investment.

Warren Buffett refers to these traits as having "economic goodwill", while Porter Stansberry calls these companies "capital efficient". Dan Ferris (also of Stansberry Research) coined the term "world dominators" (these are not exactly synonymous, but there is much overlap).

The easiest way to find a target list of companies is to use Standard & Poor's list of "Dividend Aristocrats." To qualify for the list, companies must have a track record of raising dividends for at least the last 25 years in a row. This signals safety, longevity and growth.

Today, about 50 companies make the cut. From over 10,000 publicly listed stocks, this whittles down to a few solid names you know, companies like Coca-Cola and McDonalds.

Below is the list as of early 2019, along with a quick note on what type of business they are in. So, which ones should your children buy?

Some are undoubtedly better values today than others, but any company from the list should offer a good margin of safety over long periods as prices, sentiment, and valuations fluctuate.

It's also important to diversify, picking 5-15 names for each of your kids.

It can spark interest if your children invest in businesses they recognize, including those you use at home, products like toys, sodas, burgers, diapers, toothpaste, and toilet paper.

You can discuss ideas at the dinner table, reviewing products and speculating which seem best positioned for longevity. As Peter Lynch says, buy what you know.

Also, boring businesses that offer "staples" tend to stand the test of time. Technology disrupts technology companies more so than boring businesses with strong brands.

Symbol	S&P Dividend Aristocrats, January 2019
ABBV	AbbVie Inc. (pharmaceuticals)
ABT	Abbott Laboratories (healthcare, devices and drugs)
ADM	Archer-Daniels-Midland Company (food processing and animal feed)

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ADP	Automatic Data Processing Inc. (payroll and HR systems)
AFL	AFLAC Incorporated (insurance)
AOS	A.O. Smith Corporation (water heaters)
APD	Air Products and Chemicals Inc. (industrial gases and chemicals)
BDX	Becton Dickinson and Company (medical devices and equipment)
BEN	Franklin Resources Inc. (investments and asset management)
BF.B	Brown Forman Inc. (wine and spirits)
CAH	Cardinal Health Inc. (medical products manufacture and distribution)
CINF	Cincinnati Financial Corporation (property and casualty insurance)
CL	Colgate-Palmolive Company (consumer products like toothpaste)
CLX	The Clorox Company (bleach and cleaning supplies)
CTAS	Cintas Corporation (uniforms and safety gear/services for businesses)
CVX	Chevron Corporation (oil and gas)
DOV	Dover Corporation (manufacturer of industrial products)
ECL	Ecolab Inc. (water and hygiene services)
ED	Consolidated Edison Inc. (electric utility)
EMR	Emerson Electric Company (electrical equipment)
FRT	Federal Realty Investment Trust (shopping/retail centers)
GD	General Dynamics Corporation (aerospace and defense)
GPC	Genuine Parts Company (auto parts)
GWW	W.W. Grainger Inc. (industrial supplies and equipment)
HRL	Hormel Foods Corporation (packaged foods)
ITW	Illinois Tool Works Inc. (industrial products and equipment)
JNJ	Johnson & Johnson (consumer products, drugs, and medical devices)
KMB	Kimberly-Clark Corporation (paper products like toilet paper and diapers)
KO	The Coca-Cola Company (soda, syrups and bottled water)
LEG	Leggett & Platt Incorporated (furniture manufacturing)
LOW	Lowe's Companies Inc. (home improvement retail)
MCD	McDonald's Corporation (burgers and fries)
MDT	Medtronic (medical devices)
MKC	McCormick & Company Inc. (salt, pepper and spices)

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MMM	3M Company (industrial and consumer products conglomerate)
NUE	Nucor Corporation (steel)
PEP	PepsiCo Inc. (sodas and snacks)
PG	Procter & Gamble Company (consumer goods)
PNR	Pentair (water treatment and pool products)
PPG	PPG Industries Inc. (paints, coatings, and specialty materials)
PX	Praxair Inc. (industrial gases)
ROP	Roper Technologies Inc. (technology software and devices)
SHW	Sherwin-Williams Company (paint)
SPGI	S&P Global Inc. (financial information and analytics)
SWK	Stanley Black & Decker Inc. (tools)
SYY	Sysco Corporation (food distributor)
T	AT&T Inc. (telecommunications)
TGT	Target Corporation (retail)
TROW	T. Rowe Price Group Inc. (investment management firm)
VFC	V.F. Corporation (apparel and footwear)
WBA	Walgreens Boots Alliance Inc. (pharmacies)
WMT	Walmart Inc. (everyday low prices in retail)
XOM	Exxon Mobil Corporation (oil and gas)

There are at least a few fun names on there, but most are recognizable, and you can pick from different sectors.

Car insurance (Property and Casualty) may sound boring, but describe what it is, then put it in a horserace next to McDonald's, and that can be a fun discussion.

If you want to pick other companies that are not Dividend Aristocrats, by all means, do not feel you can't. Think about longevity. Look backwards, and think forwards.

Other names that may appeal to your kids that share similar qualities include Nike, Disney, Kellogg, Hershey, Amazon, Apple, Smuckers, Ralph Lauren, and Hasbro.

If you try to pick the next big thing with a new IPO (initial public offering) or no-name penny stock, the risk is that when the hype fades, it promptly (or eventually) goes to zero. You swear off investing for ten years, thereby compounding your mistakes, instead of your dividends.

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Warren Buffett's #1 rule of investing is don't lose money (#2 is to remember #1). Focusing on these kinds of businesses will help, allowing you to preserve and therefore grow capital.

Another theme worth mentioning here comes from Richard Maybury, "the 2,500-year-old man" (due to his study of economics and history). Richard tells his readers "the most dependable of all long-term economic trends is war, and you should place your bets accordingly".

Add currency debasement (as Richard often does), and you have the recipe for destructive governments creating massive investment opportunities.

Richard recommends defense firms like Lockheed Martin (LMT), Raytheon (RTN), Northrup Grumman (NOC), General Dynamics (GD), and Huntington Ingalls (HII). If you follow his advice, we recommend subscribing to his excellent newsletter, to stay in synch with his outlook.

After your family develops good habits buying great businesses and watching them grow, you can always set a little money aside for speculating, buying things like cryptocurrencies, penny stocks, biotech's, junior mining companies, and trading options. Don't do this now!

For the next 10 years, buy great companies with strong brands that are proven. The brands you know from TV or the grocery store, that consistently pay dividends back to shareholders.

Use the ideas above and make real connections for your kids – movies, comics, French fries, toys, chocolate, spices, cereal, sneakers, burgers, screwdrivers, and PB&J.

These companies put DRIPs to work for the long haul. Watch and grow.

BROKERAGE ACCOUNTS

Where should you open accounts for your children?

Traditionally, both discount and full-service brokers have all charged transactional fees, usually between $6 and $150 per trade.

This will eat into your returns especially if investing small amounts. A good rule of thumb was always to keep transactional fees at or under 1% of your investment. If you spend 5% of the trade on both buying and selling, the stock has to return 10% to break even. Yuck.

So, even at a trading fee as low as $6, each investment would need to be $600 or more. That might be fine for you, but your kids aren't going to be able to scrape that together often enough to stay interested. The good news is, there is now another way, a way to trade for free.

The company we found is called M1 Finance (www.M1Finance.com).

It's completely free – no fees or transactional costs at all – and will allow your children to create a "pie" of whatever stocks they want.

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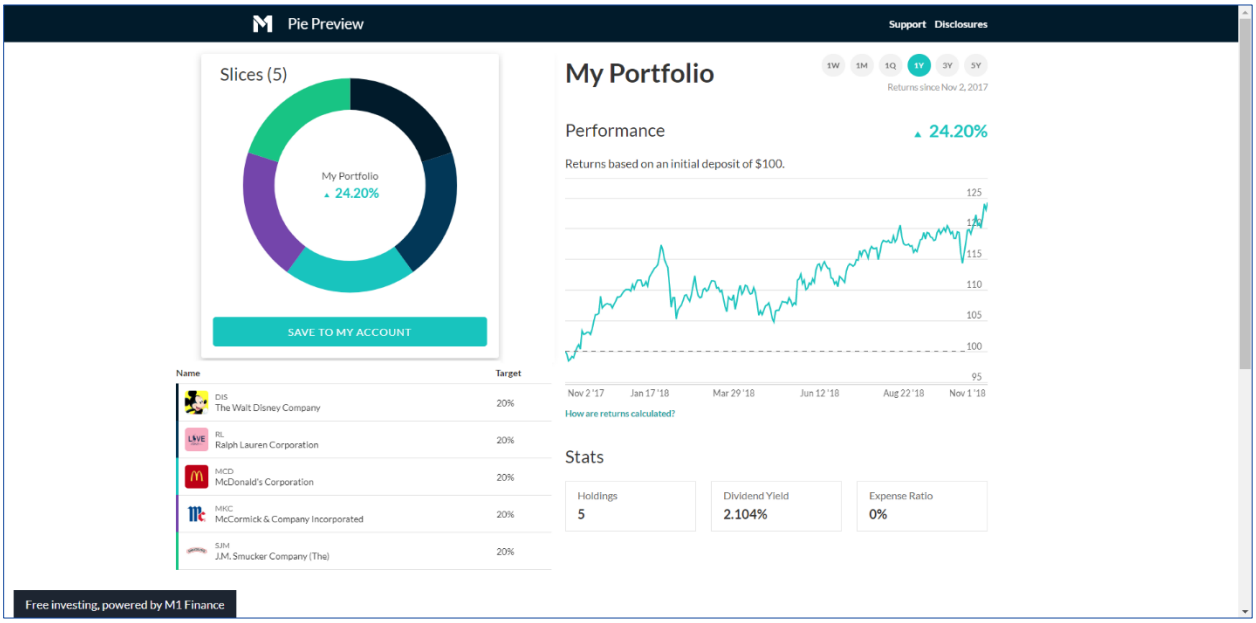
They invest regular deposits in all of them at once, buying fractional shares on a schedule that fits your children's budget.

It's like creating your own mutual fund and being its fund manager. Your family can even compare and compete against each other (remember though, safety is measured best in bad times, not good ones, and preservation of capital is the most important thing).

Below is a screenshot of an M1 account we opened in less than 10 minutes, splitting regular and automated deposits from my checking account into five of the stocks we discussed above, selling kids' movies and amusement parks, clothes, burgers, spices, and PB&J.

It has no fees, yields a 2.1% dividend, and returned 24% in capital appreciation last year-



Presto.

This is the coolest investment platform we have ever seen, so simple, and so cheap (free). It's this innovation that will enable your children to become multi-millionaires.

Wow…we live in exciting times. Bravo M1!

Note: Just about all the discount brokers followed suit, so you can get free trades at many others now. Feel free to use one of the others if you like it and have done your diligence.

With a little experience participating in financial markets under our Action Plan, your children will flourish like no generation before them ever could.

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There is no such thing as a free lunch though, right? How do they do it?

M1 earns revenue by lending or collecting interest on assets held on your behalf "in street name", meaning your name is not on the stock certificate.

This is true, however, with all discount brokerages, even those that charge fees for your trades. M1 decided to forego trading income in order to attract more investors. The race to zero is over, and the winner is the small investor, opening doors for people like your children.

When you open an account with a brokerage, they become your "counterparty".

If they steal, mismanage, or mis-pledge holdings, there is some non-zero risk that you will lose assets, like customers of MF Global in 2011 or Bernie Madoff's company in 2008.

This is highly unlikely, and M1 is a member under the Securities Investor Protection Act (SIPC). SPIC protects customers up to $500,000 each in the event of a bankruptcy.

If you have considerable wealth, these risks suggest diversifying among brokerage houses, or if you're going to use only one, do your due diligence. Our plan has you starting small.

Remember, risk of default by a counterparty is everywhere. It's baked into every financial asset on the planet, except… Do you remember? What is the only financial asset that you can own that isn't someone else's liability, and therefore does not have a counterparty?

Hint: It doesn't pay interest or dividends, and is therefore a savings vehicle.

Yup, it's physical precious metals (gold and silver). Pat yourself on the back, smarty-pants, and get the chocolate fountain going for an afternoon jaunt.

Gold is not an investment, because there is no opportunity for it to grow nor risk of loss (though price can change). Ten ounces of gold will always be 10 ounces of gold. It will never become 11 ounces of gold, and it will never become five ounces. It will never have a zero balance, like so many high-flying tech investments of the late 1990s, or so many crypto's in 2018-2019.

Investments always carry risk, and while we will limit those by buying great businesses and averaging in over time, diversification among financial services companies, across industries, and across countries can be as important as diversification among (and in) asset classes.

This is also why insurance in the form of physical gold and silver are important to security. If you own a ton of eggs, don't put them all in one basket.

Like Robinhood, M1 may also sell your order flow to the big guys so they can front-run your trades. For long term investors, this doesn't matter too much, a few pennies per trade and much less than you would have paid back when trading fees were in the $10-20 range.

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CUSTODIAL ACCOUNTS

What kind of brokerage account can you open for your kids?

Because minors do not have the right to contract, they cannot own stocks, bonds, or other investments directly. Instead, parents must transfer assets to a "trust".

Don't worry. This became easy with the Uniform Gift to Minors Act, labeling these as "Custodial Accounts", a simple way for kids to own stocks without needing an attorney.

To establish a custodial account, the donor (you) must designate a custodian or trustee (also you) to manage the account for your children. The donor irrevocably gifts the money to the trust, so only use money your kids earn themselves or you won't miss.

The money belongs to your children but is controlled by you until they become adults, when they can do what they want with it.

To establish a custodial account, you'll just need their name and social security number.

As the custodian, you have the fiduciary responsibility to manage the money in a prudent fashion for the benefit of your children, consistent with these strategies.

Income from a custodial account must be reported on a tax return for your children if (as of today) they earn $10,400 or more annually. Thus, unless your kids are wage earners in or above that range, or they have huge investment accounts, you shouldn't need to worry.

The catch for M1 is that they will begin offering custodial accounts in the second half of 2019.

We are pushing M1 to start ASAP, and please check the website for updated information. In the meantime, you can open the account in your name as an individual account, then when they allow custodial accounts, gift and transfer the securities over to your child.

They were later than that, but they do offer them now, and we transferred our kids accounts until custodial. You can open new accounts as custodial now, no need to transfer.

ETFS AND MUTUAL FUNDS (OKAY TO SKIP)

ETFs ("exchange traded funds") and their first cousin and predecessors' "mutual funds" offer investors a ton of other options for investing in common stocks.

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They generally include a basket of stocks (or other investments) with specific objectives, like growth, income, or exposure to a sector, index or country. You can buy them like a stock with a single ticker symbol, with one click of your mouse. They offer variety, help accomplish specific objectives by giving you tailored exposure to specific markets, and are often diverse.

ETF's are another amazing financial innovation of our time. So, what about just buying an ETF or two instead of picking 5-15 individual companies?

This isn't a terrible strategy, if you pick well-designed ETFs, which isn't hard to do.

However, we want your children to understand that stock investing is about becoming an owner in a business. When they buy shares of Disney, they own part of the company. They are entitled to voting rights and can attend shareholder meetings alongside Warren Buffett. The dividends (used in the DRIPs to purchase more shares) are their portion of the profits.

Therefore, even though we praise the innovation and recognize that many ETFs are wonderful (while others may be toxic, not unlike stocks, where some are good, and some bad), we recommend using individual stocks over ETFs for the conversations they spawn in your home about products and longevity, and the life-lessons they convey about ownership.

No need to dissect the prospectus of various ETFs to understand what kind of sausage is stuffed inside or their underlying fees. Just buy great businesses!

Now that your kids' have a brokerage account, can't they just add ETFs like SLV and GLD instead gold and silver coins? Don't these funds hold the metals and track their prices well?

Yes, and no.

In good times, these funds track the price of silver and gold almost perfectly, and therefore you could add them into your M1 "pie" and have everything in one place.

But, we're not buying silver and gold as an "investment". We're buying silver and gold as a safe, inflation-protected savings vehicle, an alternative to currency, and a chaos-hedge, i.e. an insurance plan, for when the s--- hits the fan, i.e. another collapse in paper money.

That unique characteristic, the only financial asset that is not a promise to pay (someone's liability) is gone with an ETF. The custodian for the ETF can default just like anyone else.

Poof.

Plus, putting their hands around a silver Eagle, how it feels compared to pocket change (from which they removed silver in the 1960's, another great bedtime story), is huge.

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Note: Some ETFs are designed to double or triple the performance of investments on the way up (known as being "long"), or inversely (profiting on the way down, or being "short"). This sounds neat, right? Hey, why not make three times the profits? However, these are dangerous not only because they also double or triple losses, but they also focus on the "daily" performance. Over time that won't match juiced-up long-term performance due to churn (rolling forward options contracts to leverage the underlying security). Even if you are right, you can lose money.

BONDS (OKAY TO SKIP)

A bond is a loan. Companies issue bonds when they want to borrow money, typically sold in amounts of $1,000 each, which is known as the "par value".

When governments or corporations need to borrow, they sell bonds (or "fixed income") into the open market, and if you buy one, you are simply loaning money to the issuer.

After bonds are issued, they can be traded (sold) between parties in the bond market. When you buy one, you are entitled to the interest payments, and principle at maturity.

Bonds have "duration" (the time between issuance and when the principle is repaid, i.e. a 10-year bond is paid back at $1,000 only 10 years after issue), and a coupon amount, the interim interest payments paid throughout the term (as long as the issuer is able to pay, i.e. "solvent").

After issue, bond prices are very sensitive to prevailing interest rates, because their coupon payment is fixed and must compete with other investments. Therefore, the market price for a bond will fluctuate with the prevailing interest rate (along with the perceived ability of the issuer to make the required payments, known as is their "creditworthiness").

As interest rates rise, the market price for bonds fall. As rates fall, prices rise. From the early '80s until recently, bonds were in a giant, 40-year bull market, as interest rates dropped-

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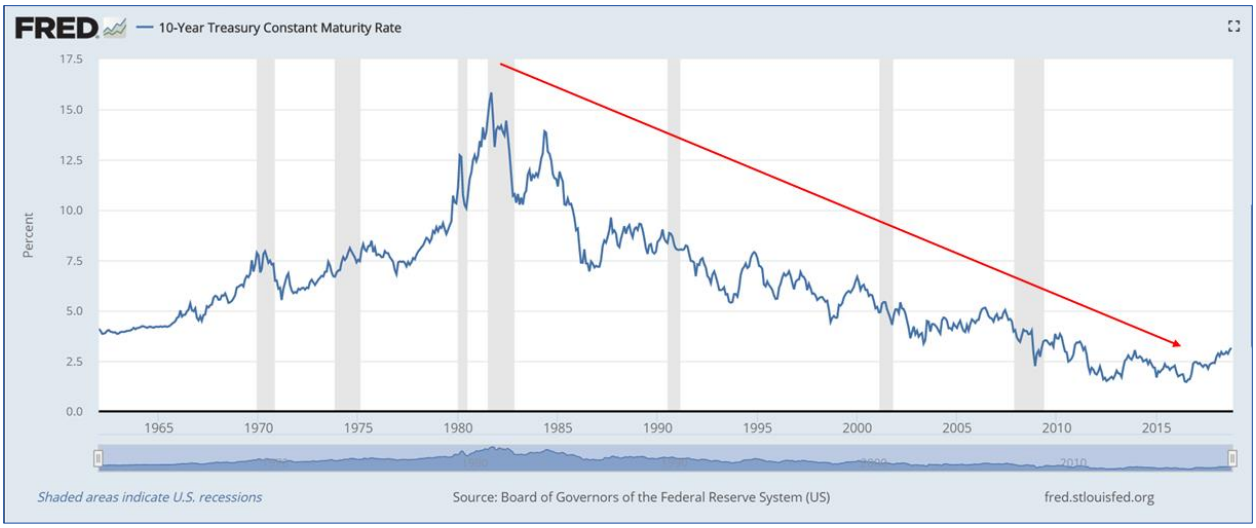

That sounds like a long time (and it is!), but over the last decade, interest rates have bounced around zero, literally their lowest levels in 5,000 years of human history. Yikes.

This is a massive, giant, gargantuan credit cycle, the reversing of which is at our doorstep today, and its ramifications will be felt everywhere.

Rates were pushed down by the central bank (the Federal Reserve), a one-trick-pony, owned by the banks and relied on by the government to "stimulate" the economy, encouraging people and businesses to take on more debt, and investors to chase higher returns.

[Need a refresher on this? Read The Truth About Money]

All they know how to do is toy with the price of money (interest rates), which they push down anytime they want to stimulate the economy.

Frankly, it's silly, and dangerous.

Setting prices is central planning, the opposite of free-market economics. If the Soviets proved it can't work, what the hell are we doing? The price of money is the most important price in the world, from which all other prices and the actions of investors and entrepreneurs follow.

When they push rates down to artificially low levels, people do bad things. They borrow too much money for bad projects (called "malinvestment") and stimulate asset bubbles.

Want to teach your kids about this? Try book #3 in our line of better bedtime stories-

https://inflationeducation.net/product/the-big-bad-business-cycle/

These clowns make a huge mess, and then get worshipped after they step in to "fix it"-

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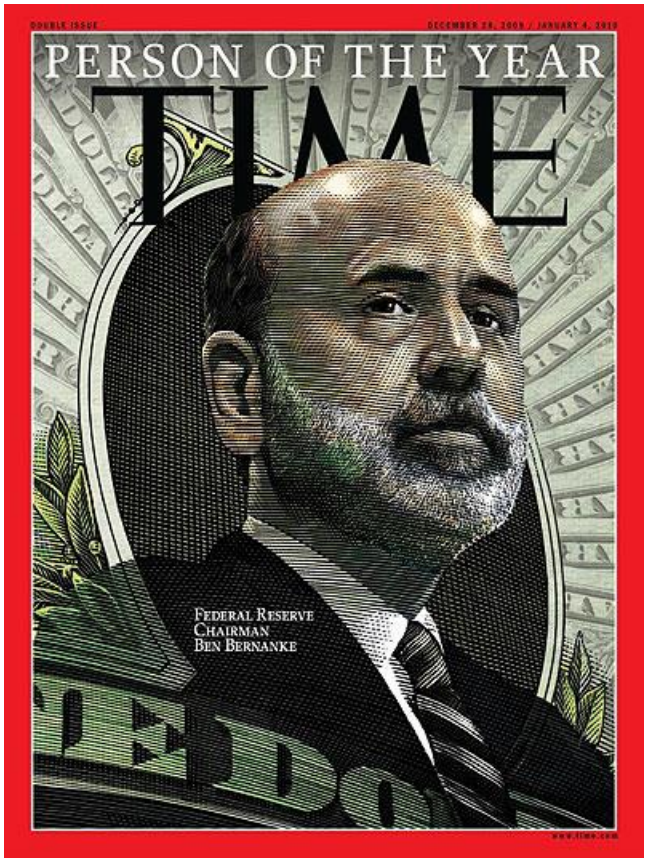

That bust in 2008? Your person of the year was directly responsible, with his predecessor Alan Greenspan, and for the second time in 10 years (after the "tech wreck" in 2000).

And guess what? Round #3 is coming.

As of recently, interest rates don't have anywhere left to go but up. Some countries like Japan pushed them into negative territory, which is truly capitalism turned on its head – the bizarre, moronic result of only a paper money system and bureaucratic bungling at its worst.

It's the reason we're seeing so many distortions in the world today. Someday, historians will look back on this era and laugh. We prefer to do our laughing today.

For the following reasons, we do not recommend bonds as an amateur asset class for your children's introduction to saving and investing-

1) As interest rates rise (as they are likely to do over the long term), bond prices will fall. Stocks will do better than bonds in an inflationary environment. In the short term, we will see bouts of deflation, but long term, inflation is a policy course.
2) Over the long term, stock returns have beaten bonds handily.

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3) Bonds are becoming extremely illiquid due to regulatory changes, while at the same time they have been stuffed inside ETFs that trade like stocks and promise liquidity. This is a recipe for massive losses when ETFs are forced to sell into an illiquid market.

That said, for those interested, we are not suggesting you avoid the bond market, only that you will need more than the Ultimate Parent's Guide to be successful there. Your children can be successful in the stock market with this report, and this report alone.

If you'd like to get into the bond market, check out Stansberry Credit Opportunities.

You will need more capital, however, as purchase of bonds cannot be done in fractional shares. All bonds share the same par value of $1,000 around which prices fluctuate. Because of #3 above, avoid bond ETFs like the plague, particularly for long-duration bonds.

The bond market is much bigger than the stock market (2:1), and most little guys don't play in it, except through those ETFs (which often remove many of the advantages).

Companies are required to pay out on their bonds or declare bankruptcy. As a creditor, you have "seniority", and get your money back before shareholders receive a penny.

You can buy individual bonds yourself, but the big guys like to keep it all for themselves, so they make it more difficult, and don't market it much.

"Stocks are for show, but bonds are for dough", they like to say.

The booms and busts, from forcing interest rates down to encourage borrowing, means the world endures an amplified and never-ending credit cycle, which ebbs between loose and tight lending standards. When borrowers begin to default, and lending standards tighten, you can find great deals in the bond market. If this is of interest, hooray, and check out Stansberry.

If not, no worries. Given your children's time horizon, stocks are a great place to put them.

DIVERSIFICATION

Diversification is about not putting all your eggs in one basket.

If your kids buy just one stock, they'll either lose their shirt (a good lesson), or they'll get lucky, think they're a genius, build bad habits, and eventually get slaughtered.

So, better to build good habits now, which means picking a few (5-15) stocks in different industries. M1 makes this as easy as ordering pizza at Dominos.com.

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The other important and often overlooked aspect of diversification is asset and country allocation. You may own 10 stocks, but if they are all US companies in consumer services, when the US hits a recession, you will take losses in the market value of your holdings.

This is why we recommend maintaining a cash position, and a physical metal position. To keep it simple, we're not going to recommend your kids use foreign exchanges, but you should think about it once you get the hang of things. As always, go to Stansberry Research for more.

Other asset classes that are not readily available for children include bonds, real estate, commodities, fine art, and alternative investments like private equity.

VALUATION AND EXIT STRATEGIES

Two components are critical to maximizing stock returns, and we're ignoring both of them.

Why? It's only because of the time horizon we have available (investing for children), and the type of businesses we're recommending, that we can afford to ignore these important concepts. It's also the only way to develop a strategy that is truly no maintenance.

But you should be aware of them, so here they are. Component #1-

(a) The price you pay for a security. Teaching valuation, discounting future cash flows using earnings multiples and growth rates is beyond the scope of this Guide. We get around it only by dollar-cost-averaging into great businesses with huge time horizons.

Learning to value stocks using their financial statements is a skill few possess, and takes only basic math, a good model, practice, and publicly available statements.

Valuation, however, is overwhelming to most, who simply won't do it. The Ultimate Parent's Guide is for those people, and therefore you don't have to worry about it now.

[Per usual, to learn more check out Stansberry Research. There's a free YouTube video, and you can also subscribe to an entry level newsletter].

On the subject of valuation, aren't prices high now? Are we not careening towards another melt-down, and if so, should we not buy stocks right now?

Prices are high, and we are likely headed for another 2008-style convulsion, thanks to the coordinated incompetence of the world's central banks and governments.

They tinker with the price of money like the Soviet Politburo dictating to Russian factories how many boots to produce. To meet the quotas, the story goes, the factories produced only children's shoes, thus rendering most of them useless to the needs of the populace.

The USSR collapsed suddenly, and we're central-planning our way behind them.

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The great Jim Rogers says it'll be the worst meltdown in his lifetime (and he's pretty old).

But if your children own stocks and have some cash saved, it will be a wonderful teaching moment they won't ever forget, and will save them from bigger missteps later.

Remember, they will dollar-cost-average into positions as savings grow and have some (if only symbolic) cash in savings to take advantage of the downturn.

Like ol' Henry Potter (*It's a Wonderful Life*), they'll pick up trophy assets for pennies on the dollar from desperate sellers, then dive into a pool of melted chocolate.

If they learn to pull the trigger (buy, not sell) when others are fearful, they will build the muscle memory they need later. This contrarian mindset will make them millions.

Component #2-

(b) Having an exit strategy. As an investor, you should know why you bought a stock, and what would make you sell the position. We also get around this by only buying great businesses, that we will keep buying more of, and never intend to sell.

This strategy is the only conceivable approach that is truly no maintenance. It's designed to be simple enough for you to follow, without causing paralysis by analysis.

However, good exit strategies can prevent you from acting irrationally out of fear, greed, panic, or restlessness, or simply riding a loser into the ground with permanent loss of capital.

They are especially important for fad stocks that most people buy (hot technology, crypto or pot-stocks ideas make the list today), biotech, or commodity and precious metal stocks.

If it's not a boring business with a great track record that you can easily explain to your kids, have an exit strategy. One of the best is to use "trailing stops".

A trailing stop of 25% says when the stock falls 25% from it's high, you sell. If you buy ABC Corp. at $100 and it immediately falls to $75, you sell, no questions asked.

Instead of falling, if ABC Corp doubles to $200, the stop price tracks it up to $150 (25% below the high), preserving a minimum gain of 50%. If the stock runs to $300, the stop-out price follows it up to $225. The coolest things about trailing stops are-

a) They remove emotion from decision-making
b) They let your winners run, cutting your losses on the losers
c) They free-up capital during downturns, both protecting gains and providing dry powder in the form of cash to buy more stocks at the bottom
d) They let you take advantage of *the* stock trader's advantage: Trend following

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Most investments ride trends for a long time before changing direction. You want to be long the stock on the way up, and out on the sidelines (or short) on the way down.

Don't enter your "stop-loss" orders with your broker (market makers will see them and may take advantage). Keep track of them offline or better yet, check out TradeStops.com.

This site is amazing for setting your stops, and seeing which stocks are in uptrends versus downtrends. It's a subscription service, and you won't need it to follow our strategy, but if you start picking companies that don't fit our description of a great business, use it.

Like M1, TradeStops.com is one of the coolest financial applications of the modern era.

COMMODITIES (OKAY TO SKIP)

Commodities – raw inputs like oil, base metals, and agriculture – have been in a long-term bear market since the dawn of man, as technology and human innovation have enabled us to get them out of the ground cheaper. The inflation-adjusted price of wheat has never been cheaper.

Historically, prices have mainly declined, a trend easily extrapolated into the future.

On the other hand, the Malthusians say we're hitting the limits of growth, stuffing eight billion people on a finite plant, all aspiring to central air conditioning and a BMW 3-series.

"Peak oil will cause the cost of commodities to skyrocket", they say.

And, they make a good case. There is only so much ancient sunlight deposited and stored in the ground over hundreds of millions of years in the form dead plant life turned fossil fuel.

When it's gone, it's gone. So, which is it? Will commodities rise or fall in price over the next 20-30 years? The answer may surprise you… Who cares?

In the medium term, they'll do both – rise and fall – and predictably so. The "commodity cycle" is one of the coolest, most predictable things in finance.

Why is it predictable?

Extracting commodities from the earth is an extremely capital-intensive business. It takes a long time, requires massive equipment, and costs a lot of money to ramp up production.

Like any product, when demand exceeds supply, prices increase. High prices cause producers to invest in more extraction and production.

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It can take years for this new supply to hit the markets, all the while prices keep rising, encouraging even more production. Eventually, all the new production floods the market with more supply, be that oil, gas, timber, copper, soybeans, coal, coffee or uranium.

Prices crater, and often fall below the cost of production. It's economics 101, supply and demand. It's predictable (and therefore exploitable) because of the lag-time.

The investment costs are sunk, so even at low prices, producers keep on producing simply to stay cashflow positive, meet payroll and service debt.

Investment in new production slows or stops, however. Revenues are below forecasts made in good times, and many producers eventually go bankrupt.

Production slows, which causes prices to climb again, and the cycle starts all over.

In commodities, the cure for high prices, is high prices (and the cure for low prices, is low prices). I think it was Rick Rule who said this first. Fortunes can be made on the way up and lost on the way down (or made both riding it on the way up and shorting it on the way down).

As Rick Rule also says, in commodities, you are either a contrarian, or a victim. Herd mentality has most people on the wrong side of the trade, buying at the top.

For now, your kids are building a permanent portfolio, so commodities are not a great fit.

Why mention them? As one of the most predictable things in finance, combined with a good exit strategy like TradeStops.com, it can allow you to ride the trends to unimaginable heights in the boom-and-bust industries of oil and gas exploration, metals, agriculture, or minerals.

Where are we in that cycle now? We are near the bottom, in the start of an uptrend, potentially headed for massive gains. It's just a matter of time.

Check out this chart from Casey Research (sourced to Bloomberg and Legacy) published 2/2/19. The ratio of commodity prices to the S&P 500 (stocks) is out of whack, and will mean-revert-

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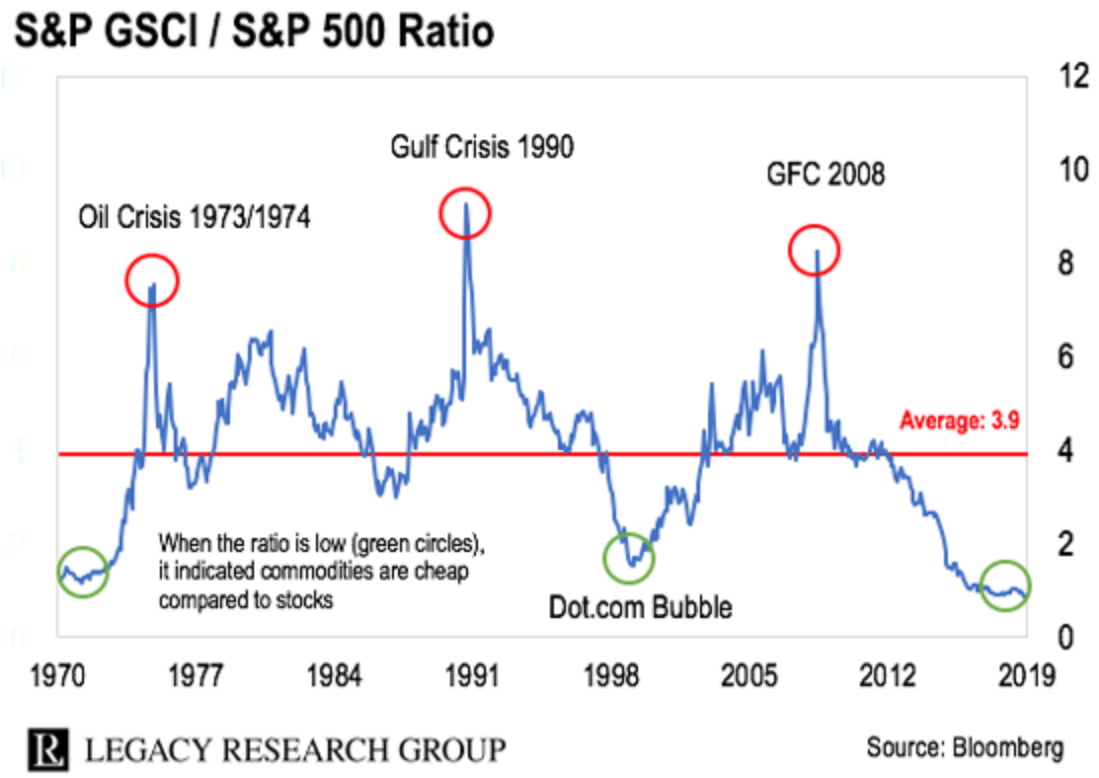
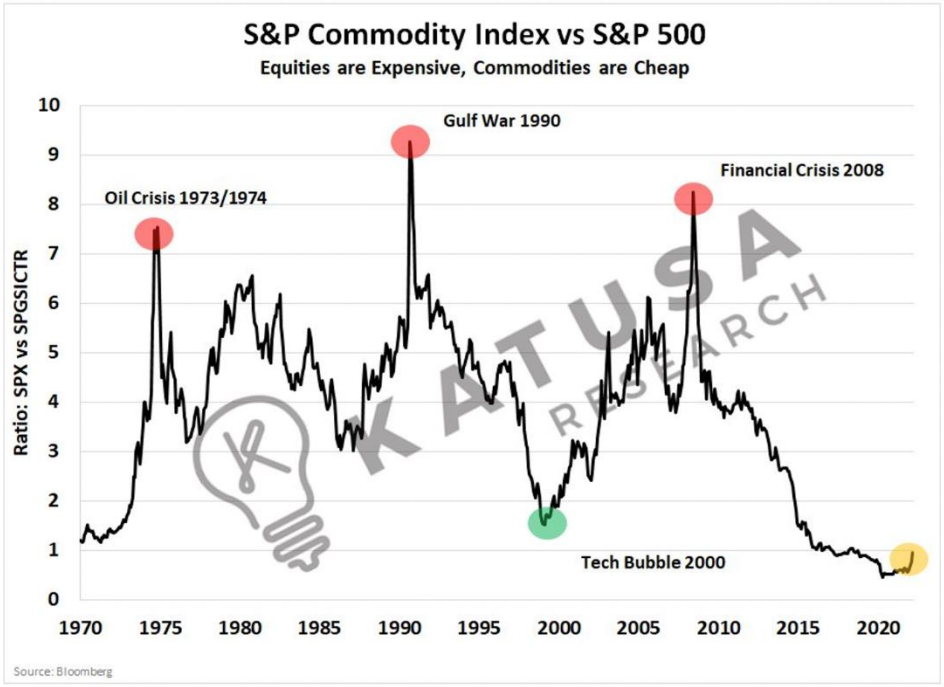


6/1/22: Update to chart, and it's turned up, as expected-



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6/4/22: The ESG movement combined with the lunacy in Washington that thinks we can shutdown pipelines, take Russian oil and gas off the market, and all ride electric Unicorns to work is going to cause energy and food prices to explode, risking global famine.

Climate Change has become their crisis du jour; do not consent to giving up your liberties.

And may you live in interesting times, as the old Chinese curse goes.

Everything, by definition, mean-reverts (this says, when it's way above or below the average value, it eventually will turn and head back to – usually right through – the average).

This chart can only mean-revert by commodities rising in price, stocks falling in price (good for buyers like your children, bad for sellers like your parents), or both.

If we were traders, we might buy commodities and short stocks until the ratio flips, and then do the opposite. But for the purposes of this Guide, we're not traders.

We're teaching your children to be long term equity investors, buyers of great businesses, who leverage the power of compounding.

Still, there is a HUGE opportunity to master the commodity cycle and profit using ETFs, futures, options, or producers. Few understand it, near perfect in its simplicity.

If you would like to continue your education, per usual, Stanberry Research is the place to turn, along with Casey Research, and/or Rick Rule at Sprott.

ASSET ALLOCATION

With their time horizon, and our objective to keep this simple with a passively managed approach, your children should focus on common stocks.

Stocks should make the bulk of their investment portfolio, and they should also become savers of hard and soft money (silver/gold and USD in a checking or savings account).

Selling silver and gold coins back to dealers is a pain-in-the-neck, and includes transactional fees, but these are a permanent position that come with huge educational value.

The savings account is the holding vehicle to (a) build good habits, (b) trade into more stock positions in a downturn, and (c) or save up for that shiny new BMX.

Your kids could certainly be 100% invested in stocks (no cash or metals), but having cash to buy when others are selling is a monumental lesson not to be missed.

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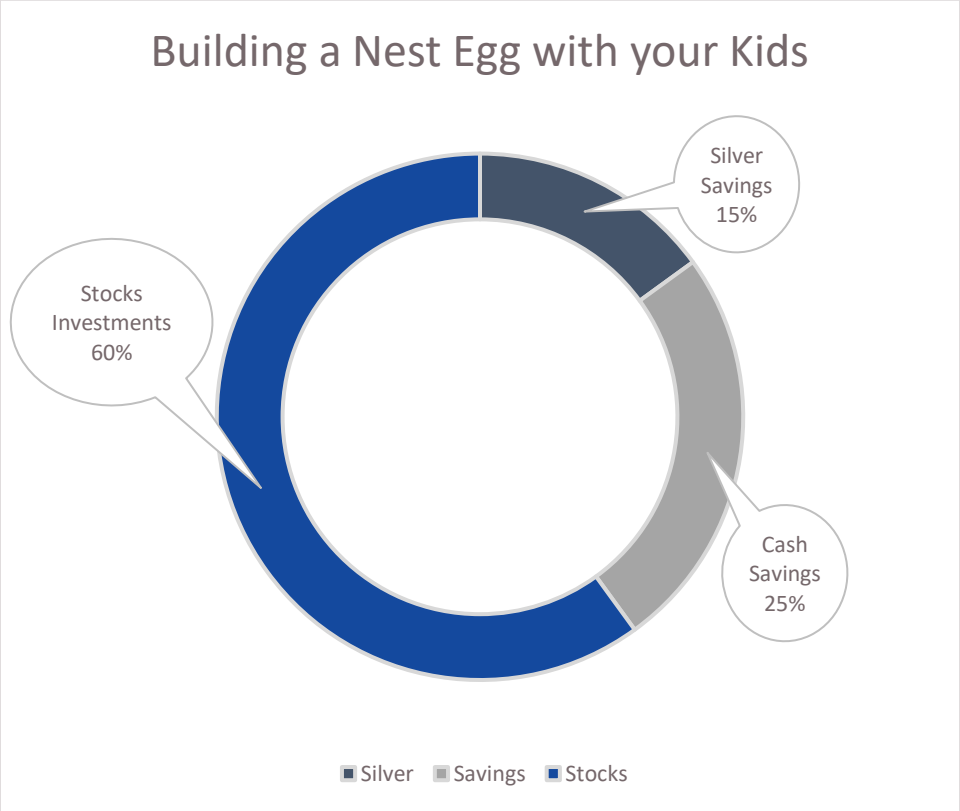
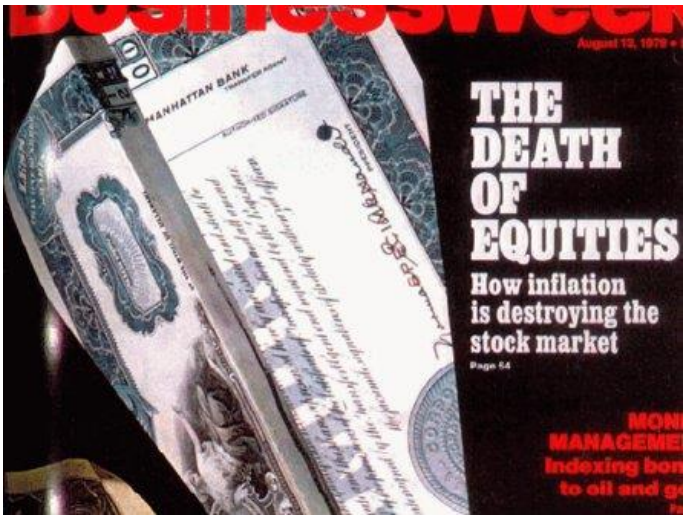
A good allocation is 60% to stocks, 25% to cash, and 15% to metals. When there is blood in the streets, deploy the cash into more stocks (go to 75-85% stocks and 15% metals).



How will you know when there is blood in the streets?

Stocks will drop 40% or more, and everyone will think the world is ending. Money managers may be committing suicide, and most people will swear off the stock market for good.

The “Death of Equities” cover on Business Week in August 1979 marked a nice entry point-



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The Fed Chairman will be trotted out to save the world from his own blunders yet again by printing more money ("quantitative easing"), devaluing all the other dollars in existence and boosting other assets (not the least of which, your children's stock portfolio and silver coins).

Your family will log into M1, transfer over cash from the savings account, and buy your favorite businesses at a discount, then toast each other in a pool of chocolate milk.

Speaking of magazine covers (these are the bells they ring at tops and bottoms), check out this one we got on inflation in April of 2019. Biggest contrarian indicator-

ACTION PLAN AND TEN SIMPLE STEPS

Okay, what now? Where do you start?

Here it is, the Action Plan. We made it as easy as possible. Your kids will be rich and financially astute if you do these 10 things right now-

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1. Sit-down and discuss how much your kids can earn, either with chores / allowance, or outside the home. The number should be reasonable, so they can keep it up, but stretch a little if you can. If we follow our example of $15 per week towards investments, plus a 40% allocation to cash and silver, that requires $25 per week. That would be great, if they can achieve that or more, but as little as $5 per week will suffice.

2. Download our Money-Matrix and follow the instructions in Appendix B to track amounts owed, earned, transferred, and saved, now and each year ahead.

3. Get their buy-in on the amounts, and that together you will increase it by 15% each year. Show them the graph on page 22 to help convey how impactful it is to start now, and commit to the strategy. If they wait, they'll lose out on 90% of the gains.

4. In return for this commitment, and signing the contract below, gift them seed corn to start ($150 or more), opening a savings account for them. That will get their attention. If you cannot spare it, wait until they have earned enough to open a savings account. Link up your checking account and schedule weekly auto-transfers of 85% of their allowance. The other 15% will be available for payment in cash or silver using our Money-Matrix.

5. Open an M1 custodial account (www.m1finance.com), $100 minimum. From the M1 platform, link up the savings account and transfer the greater of $100 or 70% of the balance in. Set up recurring automated monthly transfers from the savings account at 60% of the amount money they have agreed to earn and save, or 70.6% of the auto-transfers from savings (if they save $25 per week, the monthly M1 deposit amount is $65). Use our Money-Matrix to calculate. **This is not complicated, and will take a couple of hours at most. Do not give in to laziness. This will make your child's future!**

6. Print up the Dividend Aristocrats, and discuss them. Identify the ones they know and understand. Let each kid pick 5-15 to add to their portfolio "pie", and allow them to bring in 1-2 other ideas not on the list if they want. You can discuss each, and check if they are publicly traded. If so, allow them to add one of these companies to their pie. Log into M1 and designate these as your children's stock portfolio. Don't be afraid to do the same thing with an account for yourself. Why should they have all the fun?

7. Buy a sleeve of silver American Eagles, and pay 15% your kids' earnings in silver. At $25 per week and silver at today's prices, that's $21.25 each week to the savings account and a one-ounce silver Eagle every 4-5 weeks (our Matrix will tell you when). This seems odd, we know. Trust us: The global financial system is teetering on the brink of another

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reset, and few are prepared. Gold and silver are real money; the bedrock that's been pulled from underneath our monetary system. Paper money is cause of many of the distortions in the world, and the primary reason it's harder for your family to get ahead.

[Need a refresher on this? Read A Father's Day Dilemma]

8. Set a weekly reminder to pop-up in your calendar every week, perhaps at your lunch hour on Friday, to make sure steps 1-7 have been completed. Do not let this get overlooked or sidestepped. It could cost your adult children millions!

9. Set a quarterly reminder to login, review and discuss portfolio performance with your children every three months. Count backwards from their next birthday, so each birthday includes a review. Do not give them the M1 login until they are old enough to be trusted, but be open to logging in with them more often if they'd like. Once per year on their birthday, allow them to consider adding a new stock or two to the portfolio. Check Google and S&P if their existing companies are still Dividend Aristocrats. If not, that is reason enough to replace them with a new company from the list.

10. Pour yourself a cold beer, put your feet up, and pat yourself on the back. You just did the best possible thing anyone could to provide your children with a lifetime of financial skills, true freedom, abundant wealth, and real security. Bravo, and cheers!

Bonus Step #11: If you like our outlook, email us your address (USPS) and we'll send you some free stickers and coasters. You deserve them for getting this far.

COVID-19 AND IMPACT ON THE GUIDE/PLAN

COVID 19 was a curve ball, sure. Few saw it coming. Well, some sources like the ones I recommend above, Chris Martenson or Quoth the Raven, were early.

When you have that information ahead of the market, plus enough capital to place some well-timed bets, and the confidence that comes with acting alone, you can make a killing.

We made some nice (successful, but super risky) short-term speculations in the options market.

As for our long-term recommendations, those have not changed at all. In fact, COVID 19 (and specifically, the government's response) have only accelerated the trends we have already told you about. The death of money, the great global reset, is now fast approaching our doorstep.

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Prepare by first educating yourselves and your children – not from school, but finding resources and people you can trust. We hope to be part of that, and recommend others in My Background above. Join the Alliance, and you'll get all of our bedtime stories at a 40% off-

https://inflationeducation.net/product/alliance-bundle/

And remember, earn more than you spend, and save the difference. Put it in gold/silver, cash, and capital efficient businesses with strong brands and a history of raising dividends.

When you have more capital and confidence, you can speculate in other investments. But you'll never have to, nor will your kids. They'll start early, and let compounding do the work.

We're in for a period of massive change, but the human spirit will forge on, and those of us in-the-know will have the wind at our backs. Remember always "If-", by Rudyard Kipling-

If you can keep your head when all about you
Are losing theirs and blaming it on you,
If you can trust yourself when all men doubt you,
But make allowance for their doubting too;
If you can wait and not be tired by waiting,
Or being lied about, don't deal in lies,
Or being hated, don't give way to hating,
And yet don't look too good, nor talk too wise:
If you can dream—and not make dreams your master;
If you can think—and not make thoughts your aim;
If you can meet with Triumph and Disaster
And treat those two impostors just the same;
If you can bear to hear the truth you've spoken
Twisted by knaves to make a trap for fools,
Or watch the things you gave your life to, broken,
And stoop and build 'em up with worn-out tools:
If you can make one heap of all your winnings
And risk it on one turn of pitch-and-toss,
And lose, and start again at your beginnings
And never breathe a word about your loss;
If you can force your heart and nerve and sinew
To serve your turn long after they are gone,
And so hold on when there is nothing in you
Except the Will which says to them: 'Hold on!'

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If you can talk with crowds and keep your virtue,
Or walk with Kings—nor lose the common touch,
If neither foes nor loving friends can hurt you,
If all men count with you, but none too much;
If you can fill the unforgiving minute
With sixty seconds' worth of distance run,
Yours is the Earth and everything that's in it,
And—which is more—you'll be a Man, my son!

WHY WE STARTED THIS PROJECT

We started InflationEducation.Net to help moms and dads who want more for their children – more opportunity, more security, better ideas, and better prospects.

We question everything, poking holes in the mainstream narrative to provide better information for parents trying to support families in a world awash in groupthink. It began as a parenting column (i.e. blog), before it knew what it wanted to be when it grew up.

Now it does, and we're focusing on "better bedtime stories".

The response has been wonderful, and we appreciate all the feedback. We read every email and respond to most. Let us know what topics you'd like to see (phil@inflationeducation.net).

WHO'S IT FOR?

Our perspective is not for the diehard ideologue obsessed with one political party or the other. We are free-thinking realists, trying to provide a bright future for our children in a beautiful world full of opportunity, that's often also mixed up and dangerous.

Tired of political finger-pointing, the booms-and-busts, the bad advice, and the blame-game, people like us know that something is amiss in the world today.

The American dream – prosperity, and self-reliance, built by honest work and secure inside a picket fence, tire-swing hanging beside the flag – is fading. It's hard to get ahead, and a once-unwavering confidence in our policy choices (and their morality) gives way to quiet discomfort.

The stories they told in school seem phony now, from a bygone era. Conformity doesn't work like it used to. The emperor has no clothes.

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Still, opportunity is everywhere, for those who can see the world clearly. Your kids don't have to buy into false promises only to learn the hard way. You can take control of the narrative, build resilience inside your children, and write a better future for your family.

It starts with the stories we tell ourselves, and our children. It starts in the home, with better bedtime stories. That's where we can help your family the most.

We help moms and dads discuss important, timeless lessons; critical things glossed over by the machine, tucked away only in the pages of history. Subjects like money, debt, investing, groupthink, liberty, history, human psychology, and government.

We impart these ideas through story and picture, including our online column, and our upcoming line of better bedtime stories. It's time to raise a generation better prepared to lead.

The ranch house, picket fence, two kids and a golden retriever are optional. Tolerance, generosity, resilience, self-reliance, and curiosity are not. We hope you'll join the community.

Enjoy the Ultimate Parent's Guide, and if you'd like, send a free copy to friends and family by emailing them this link where they can download for free. It will ensure they receive updates:

https://inflationeducation.net/

INFLATION EDUCATION .NET
question authority

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APPENDIX A: CONTRACT AGREEMENT

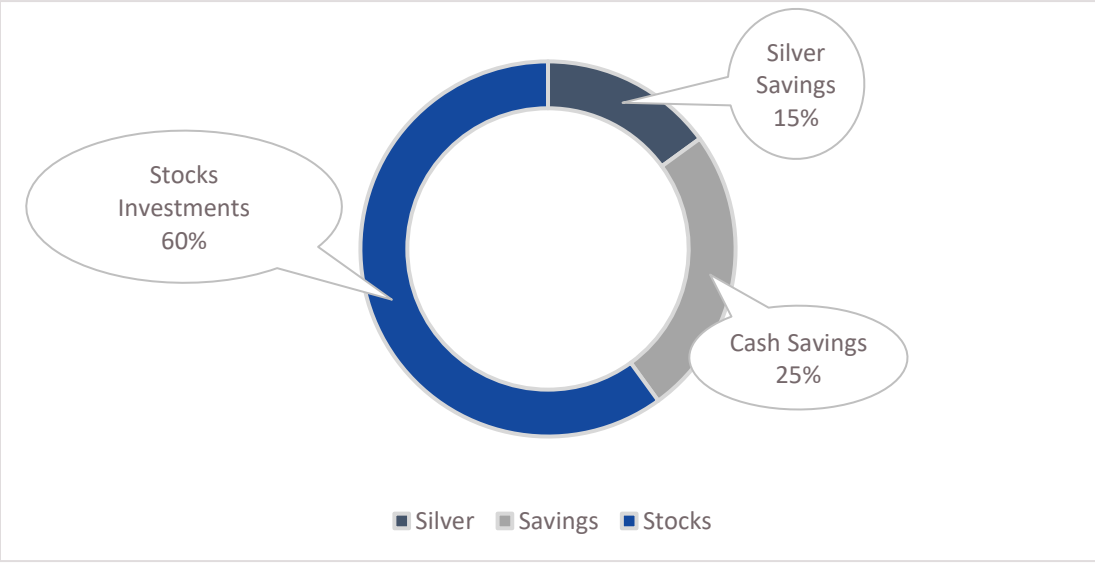
Savings & Investment Plan Between [_____parent] AND [_____child]

The following Terms and Conditions are designed to bind [_____] ("Parent") and [_____] ("Child") to the Savings & Investment Plan from the date of signature below until the latter of (a) Child turns eighteen years of age, or (b) Child moves out of the house and supports his/herself-

1. REQUIREMENTS OF CHILD: Child agrees to the Allocation Requirements noted below for all Allowance received from this Agreement, and performance of all Chores noted in Exhibit A (which may be modified from time to time by mutual agreement of both parties).
    a. Child agrees to assume responsibilities of earning the amounts necessary for continued contributions to the Plan after the Child moves out and supports his/herself.

2. REQUIREMENTS OF PARENT: In exchange for #1 above, Parent agrees to provide $_____ dollars in seed money and a weekly Allowance to Child in the amount of $_____ per week.
    a. Should Child fail to adhere to the Allocation Requirements or the Chores noted in Exhibit A, Parent reserves the right to withhold Allowance until such violations are corrected.

3. ALLOCATION REQUIREMENTS OF BOTH PARTIES: Parent and Child agree that the Allowance will be delivered into Child's name and dispersed into the allocations noted in the Money-Matrix-



    a. A full 85% of the total will be automatically deposited into Childs Savings Account.

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b. From the Savings Account, 60% of the total Allowance will be automatically transferred into Child's M1 Finance Account on a recurring monthly basis for investment.
c. The remaining 15% will be given to Child in silver coins, which he/she may forgo for currency units (USD) for spending only by mutual verbal agreement of both parties.

4. OTHER REQUIREMENTS OF BOTH PARTIES:
    a. INVESTMENTS: Investing in specific stocks in Child's M1 account "Pie" will be by mutual agreement of both parties, selecting between 5-15 individual stocks. For the first five years of this Agreement, at least 80% of them must be among the S&P 500's Dividend Aristocrats. Once a stock is selected, it cannot be replaced for at least one full year from the date it was agreed on (to ensure Child and Parent are not actively day-trading) unless it has also been removed from S&P 500's Dividend Aristocrats.
    b. RAISE: At each anniversary of this contract, Child and Parent will increase the Allowance by 15% or more, and may modify Exhibit A accordingly. They will also review the performance and discuss if any changes in Investments are desired by either party.
    c. NOTE: As a rich adult, Child will consider Parent's foresight in implementing this Plan if Parent needs assistance with affording a top-tier retirement community.

Child and Parent acknowledge that the Savings & Investment Plan is designed to perform well only over long periods of time, and that continued adherence to the Plan is critical to success.

Child and Parent acknowledge that due primarily to excessive amounts of debt in the global financial system from the Federal Reserve and other Central Bank's reckless policies of forcing interest rates to artificially low levels, a stock market crash is likely in the next 1-5 years. Child and Parent are not deterred; they are building a cash position to take advantage of lower stock prices during that time. Child and Parent will be net buyers – not sellers – of stocks for the foreseeable future, thus they welcome the volatility, and will enjoy it together with a knowing smile. They will use dollar-cost-averaging to build lifelong positions in great businesses, with a cash reserve to take advantage of panics.

This constitutes the complete Savings & Investment Plan between Child and Parent. IN WITNESS WHEREOF, the parties hereto have executed this Agreement, as of the Date below.

Child-	**Parent-**
Signature: _____	Signature: _____
Name: _____	Name: _____
Date: _____	Date: _____

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APPENDIX B: MONEY-MATRIX INSTRUCTIONS

Once you determine how much your children can earn each week, the Money-Matrix will track it all, down to the penny, including exactly how much is earned, owed, and paid over time – in both USD and Silver coins – and how much to automate via transfers from your checking account to their savings account, and from there to the M1 brokerage account.

Instructions are as follows-

1) Download and save a copy of the Money-Matrix with a different name for each of your children. The URL for this download is (allow pop-ups from your browser): https://thebaddaddy.com/wp-content/uploads/2019/03/BadDaddy_Money_Matrix.xlsx
2) In worksheet #1 cell B2, input the dollar amount of their weekly allowance. In cells D2 and E2, put today's date, and the Spot Price of Silver per ounce (Google it).
3) Set up weekly auto-transfers from your checking to their savings account for the amount shown in cell B3.
4) Set up weekly auto-transfers from their savings account to their M1 account in the amount shown in cell B4.
5) Notice cell B5 reveals how much of their weekly earnings is available for disbursement in cash or coins, and B6 says how many days it takes to earn a one-ounce silver coin.
6) The blue table shows how much to increase amounts to each year with a 15% raise.
7) In the second worksheet, you can track payments, and it will automatically calculate what is owed at any given date.
8) Just put payment dates (for cash or coins) in column A, the silver price at the time in column B, how many one-once coins are distributed on that day in column D, and how much cash currency (if any) was paid on that date in column F.
9) Column G shows your kids' running balance (at the bank of mom and dad). This helps keep track of what is owed and paid, especially if you don't make distributions weekly.
10) As they collect payments in silver, the purple table will track any appreciation.

As the French say, Voila…

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