The White Collar Recession - How to Preserve Wealth in Uncertain Times - Ted Oakley and David Phelps: Ep #495

Full Episode Transcript

With Your Host

Dr. David Phelps

Dentist Freedom Blueprint with Dr. David Phelps

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Ted Oakley: I don't doubt this at all, that when you have a market break, an economy slides, they're going to come right back in and lower rates. Here's the problem this time around, and it was this last time around too, is that you're in a situation now, when you come and do that, you're going to create another round of inflation, but it'll be worse than it was a year and a half ago. We've told people that, "Look, you want to keep that paper short, and no, you're not going to get as much on it if they lower the rates, but you have to look ahead three years or so because that second round of inflation could really be nasty."

Intro:

"David was of course a dentist, but he was a very sophisticated real estate investor. He had run with a circle of probably the most sophisticated housebuyer types in the country."

"David is a student of the game."

"I would never say this about most people. I would get in a foxhole with David."

"His knowledge is unreal. I mean, it's off the charts."

"This is not some person in front of you going, 'Yeah, just give me your money and I'm going to invest it in real estate.' It's way more elevated than that."

"The most common message I get, I want to thank you so much for introducing me to Dr. Phelps because my wife and I—we went to Freedom Founders. We're on a path. We're going to be financially free. We are going to retire sooner. We are going to be happier. This changed our life."

Dr. David Phelps: Hi, David here. In this episode, I've invited my good friend, Ted Oakley from Oxbow Investments, to help take a close look at some of the market metrics that are flashing red on the economic dashboard. This conversation with Ted was recorded on Wednesday, July 31st. In the week since then, we've experienced major market volatility.

Markets were in free fall today, Monday, August 5th. There's fear and panic in the air. The markets are in disarray. I've spoken at length in several episodes of the show over the last year about the potential for a market correction. I've linked a few key episodes in the show notes below, including episode number 493, Circumventing Economic Crises with Alastair McDonald, which we released on July 26th. Episode 490, Investor Alert! Navigating Market Turbulence with Frances Stacey on July 5th. Episode 480, Changing Your Business and Investment Models published back in April, many, many more. Those three in particular would be very relevant to go back and review in light of the current events.

Based on what has unfolded over the weekend, this conversation with Ted is more relevant than ever before. After the interview, I share a few of my current thoughts on how to protect your investments and move to higher ground. The bottom line is, if you're new to the Freedom Founders Podcast, this is a good time to be tuning into the show. I hope you enjoy this episode.

Ted Oakley: They keep talking about the Federal Reserve, the Met today, but when they meet, they start lowering rates. The market's usually falling because something's going wrong. They wouldn't be lowering rates. It wasn't that way. And so if you look at the average person, they've raised their credit card debt at the same time that their credit card interest rates were going to new all-time highs. And so that's really putting pressure on them. Really good article here just not too long ago about people that were going to Disney who borrowed money to take the trail. And the people that had children younger than 18, 45% of those people borrowed money to go to Disney.

If you just look at spending on vacation travel in general, and you look at people that are living paycheck to paycheck, they're either living paycheck to paycheck without paying other bills, or they're living that way or paying some bills, but they're just on the money. They don't have anything left over, in most cases nothing at all.

The U.S. Economic Surprise Index, and this comes from Bloomberg, but city court does one too, but what that means is if things get announced that are surprisingly positive or surprisingly negative, that goes into this average. This average goes back three years, but more and more of the things are getting announced now are surprisingly negative.

Everybody's seen this, but we've got a 2%, almost 21% change In commercial property values from the piece, I think it's probably worse than that. I'm in a lot of different cities, talk to a lot of different people, and people don't realize, but a lot of the cranes in the air, they're going to be bringing more product on in the next 12 months.

And so if you look at, I'll take Austin, Texas, for example, if you take and add sub lease available with new lease available, it's about 31% of the market. The other side is that a lot of commodities are coming down. This normally tells you a lot about the economy. and that tells you a lot about building too, by the way, this is July lumber pricing just hit a new low going back in the last six or seven months. You're seeing that too, if you look at soybeans, corn, a lot of soft commodities are breaking down. And that's what happens when times slow down. You can go from there, the housing affordability index, all-time low, and this goes back to 1983. You're getting back like they were in the 80s at this point. Then their problem was the high interest rate.

Because you didn't have the problem of the house being overpriced, taxes being overpriced, and insurance being overpriced. To us, now it's the reverse. It's the price. Because the price brings with it, insurance and the price brings with it taxes. Some of the people will barely stay in the house they're in, even if they're at a 3% rate because their taxes and insurance killed them on

Dr. David Phelps: It happened, what, two and a half, three years ago coming out of COVID when inventory, when everybody wanted a home and they could still get the low rates, and people jumped in, right, said they could qualify, but now with the increase in everything that home ownership entails, maintenance, CapEx, property taxes, insurance, the whole nine yards, as you said, the consumer is just stretched and just about tapped out to a great majority.

Ted Oakley: If you look at vacancy rates now, and office vacancy rates, and they're in an 18-year high and probably at a 20 or 22-year high, perhaps they can go back that far, but that's something to keep in mind. We own some gold. Now you'll go through periods of a goal where it doesn't do anything, but there are times when it really does.

And one of the things you'll find, I want to point this out on this graph, when the federal funds rate, the interest rates are falling, okay, gold, the yellow line typically is going to go up, okay? And this time it's going up even when the rates are going up. And I think that has to do with what's going on in international politics.

But I do think it's wise to have some and you can pick your number on what you want to have, but I think it's one of the few things that's going to give you a bit of stability. The other thing in businesses today, if you look at their inventories, inventories are low because they don't have the money to put into it otherwise and we're seeing that's usually a case where you're in a recession or getting ready to go in recession.

You'll see this terminology: Owner's Equivalent Rent Relative to Market-Based Rents. Well, Owner's Equivalent Rent is really just this. Somebody calls you up, one of these services, and says, "How much would you rent your house if you wanted to?" And so all owners typically always overstate that number.

They think that number is higher than it really is. And when it hits a peak, though, and the market base hits a peak, they usually go down together. And I think that's what you'll see this time. And then on the other side, see, non-mortgage debt is much higher than the mortgage debt in terms of growth, and this has all gone since 20.

And so the average person is really chock full of debt, not a lot of room to move. And if you look at credit card borrowers with delinquent student loans and credit card borrowers with just current student loans, it's a fairly high number, you know, going back to Q2 of 2020. I was just in a bank meeting this morning with a workout situation on a company that over the years has been a great company, but business has slowed down. And your working capital is in a tight, in a bind, and so, they're in a bind. I had the same conversation today with a good friend of mine who is a partner for the guy, and hires him a lot, has one of the best trucking companies, maybe the best one in Wisconsin.

45 years in business. This is the worst year he's ever had right now. It's interesting. These little tidbits show up all the time and that's what we're starting to see. Credit card balances, we look at overdue, 60 to 90 days in the blue, 90 days plus in the red. it's not out of this world, but there's a trend.

You always want to watch the rate of change. You want to watch the trends. That's what you'll get you in trouble. People say, “That's not very high.” No, but there's a trend in there. The other thing that's happening right now is my son-in-law owns a fairly large international online recruiting company. We were visiting about a month ago and he said, “There's a recession, a white-collar recession going on.”

And sure enough, he's right. What's happening is if you go in and look at Indeed or some of these companies that hire, let's say that hire somebody in computer programming or something like that, they might have had so many people trying to get three jobs two or three years ago. Now they'll have one job and have 300 people trying to get the same job.

And so the people making that have a high school degree are making more than the other people. The point being this is that it's all coming together. It's coming together in real estate. It's coming together in the general economy. They won’t admit it, but the numbers are all there. I can give you very, very few things that are positive in the general economy.

And I think one of the things people don't realize is that if it weren't for the stock market for the last 12 months, you would be in a severe recession. And it used to be that the economy would set the stage for the market, but they've rigged it such now that the market is the economy. And so when the market breaks, it all goes together.And I think that's where you are now.

Dr. David Phelps: So if I understand you correctly, and I agree with you that the sentiment that everything is going well because of course we're in an election year and the mass media is, engenders people to think differently. And many of the economic indicators, whether it's a CPI or core or jobs report, there's so many revisions to that each month.

I know you keep close tabs on that, but what they try to make everything think is that everything's going to be okay, that we're going to have this soft landing and everybody's keyed in, as you said, on the Fed. And are they going to do an interest rate cut now or do one in September? And what's that going to look like?

But you're showing, I think, the reality of what's really in the infrastructure of the economy, and that is our consumer, which is, what, 70% thereabouts of our [...], and that consumer is tapped out, or tapping out as we speak.

Ted Oakley: Well, I think people get confused about election years. So, it's election year, things will be good, but I can give you a lot of election years, even in the last 25 years. 2000 was bad, 08 was worse, 2020. I mean, there's a number of election years that don't work out so well. And I think what would happen in here, and I'm not espousing to know anything about elections because I know nothing. And, but I would say this, if you're in a fairly hard recession, it really gets a lot harder between now and say, October, that will have an impact on the election. And it always does.

Dr. David Phelps: Ted, you've got a fair amount of insight into the banking sector. What can you tell us that is happening there in terms of what's called just accounting practices? It seems like there's a lot of what's called extend and pretend with a lot of commercial banks.

Nobody wants to show up with quote, “bad loans” on their books because that creates additional issues for capital reserves and would also portend to create the Fed to have to go one way or the other. What do you sense is in the banking sector and what can you do to speak about what people call non-banks or shadow banking and how much of an effect does that have on the economy as a whole?

Ted Oakley: Well, one of the things about banking right now, and banks hate to do this, David, they hate to have an asset that becomes what they call non-accrual. It's basically an asset on the books that's not making anybody any money because nobody can pay anything on it. They hate to do that.

There's more and more of that going on because now they've got another point where, “Okay, we gave them 90 days, we gave them 90 days, we do that four or five times in a row, and now, you know what, they don't have any money. They've got barely enough money to make payroll, working capital, we've got to move that loan to non-accrual.”

They don't want to do that, but they have to do it because when the auditors come in, they really hold their feet to the fire if they've not done that. That's one of the things that's happening on the private credit side, I think there's a lot of stupid things going on, at least from my vantage point. And I always ask them this question, because I know some people in the business, they'll say, you know, really good credits that we're getting, 10 or 10 and a half percent on, and I always have the same rebuttal, which is, “Well, if they were that good at credit, don't you think they'd be borrowing in the open market at seven or eight instead of ten or ten and a half? So, see, it doesn't make sense. Those two don't go together.” The private credit is the latest mantra, I should say, of an ongoing Wall Street theme, which is we can't make money doing this. We'll go make money doing that. And I've watched them go from all sorts of things, limited partnerships to hedge funds, to private equity, then to private real estate, now to private credit. And they always have something where they're trying to make a sale. A good book to read on that really is that one by Gretchen Morganson, so-called “The Plunders”, and it's a great book, but it's, it tells it like it is.

So much of that they hide, you can't see what's going on, and now they've even done the unthinkable, which you couldn't do in the 80s, it was illegal, called continuation funds, where they have to take some people out. They haven't been able to sell in one fund, private equity, or private real estate, and they raise new money and buy that same asset, okay, so that they can produce some liquidity.

You know what? It's a shell game, all right? And that's why I always tell people, own the assets where you own them direct, and don't get caught up in third or fourth party because it's not going to be good for you.

Dr. David Phelps: Historically, when we've gone into an economic downturn, a recession, Ted, the Fed has come to the rescue by quantitative easing and reducing the federal funds rate.

We've seen them do that time and time again. What effect do you believe that the national debt, which I think we just crossed 35 trillion this week, and aren't we adding about a trillion every hundred days in deficit spending? What effect does that, the national debt have, to your understanding, for the Fed to have, you know, as much, let's call it input or manipulation of the markets as they have in the past?

Are they going to be stressed or stretched to try to have that impact if they need to quote, fix a recession again?

Ted Oakley: Well, you have to look at what they're selling, David. Like, what's happened is the Treasury, and I think this was an election, kind of an election trick in a way, but the last 15, 18 months of Treasury under Yellen, instead of selling long-term paper, they sell mainly treasury bills, okay.

So all the majority of the debt is short-term. And why, somebody said, “Why are they doing that?” Because they want that long-term rate to stay down because they know if they push the long-term rate up, that you really push these lenders into a tough position. And so that's one thing. The second thing is, and I don't doubt this at all, that when you have a market break and economy slides, they're going to come right back in and lower rates.

Here's the problem this time around, and it was this last time around too, is that you're in a situation now when you come and do that, you're going to create another round of inflation, but it'll be worse than it was a year and a half ago. We've told people that, “Look, you want to keep that paper short and no, you're not going to get as much on it if they lower the rates, but you have to look at it three years or so because that second round of inflation could really be nasty.” That's when the rubber meets the road and austerity has to come in because all of a sudden people are not buying our bonds. If you look at foreign countries, they're buying 30% less bonds of ours than there were before the peak and they don't want them.

So I think people have to keep that in mind in here. They're going to probably come in and do the same thing over again. Wouldn't surprise me. It will juice it and people will reach in and do the wrong things on the investment side and it'll come back to bite them three years later, and I think that's where they're headed.

Dr. David Phelps: So looking at that trend, it seems like we have three different bubbles. We have equity bubble in the stock market. We have real estate bubble that is showing some signs of disinflation. We have a credit bubble. So what do you see? Let's call it over the next several years.

You just mentioned a high likelihood if the Fed juices things again that we'll see inflation, but in the near term, we're seeing some disinflation, at least in the real estate market. We don't know what the credit market's going to do, but I think that's looking dicey. And at some point, I think we both agree that a reversion to the mean means the equity markets’ going to have to pull back. So do you see disinflation, deflation, and then inflation picking back up in the future? ‘Cause you just said that people are going to get caught up in the wrong investment strategy. So how do you kind of lay that out in your mind as you see things?

Ted Oakley: Well, I think the disinflation and the deflation both are a product of a slowing economy and that's what happens in a slowing economy. And that's one of the reasons that they come into lower rates is to try to quell that if they can. The problem is you have so much leverage in the system today that it's probably going to take more juicing than we can imagine to really get things cranking.

You're exactly right. You're in a slowdown now, not just in real estate. Across the board, we have so many companies we talk to and it's just, they just don't have the business that they had. And now all of a sudden you're seeing in these markets, even the upper tier markets now, and you're starting to see the walk-in restaurants, for example, McDonald's, et cetera, et cetera, is they're, the business is not as good.

And what happens is that's actually what causes the Fed to come in and lower interest rates and do what we just talked about, do that turn again. For a while, it will make people feel really good, and new highs in the market and everything, they just won't be very good. And they remind me so much of the 20s, if you don't know the truth. It's a lot like that.

Dr. David Phelps: Ted, over 40 years, you've curated some significant principles. You've published numerous books on the subject. You're particularly focused on your clients that are high net worth and many who are in the process of or have exited businesses. And so you've really created, I think, some really sound principles regarding helping them, which can apply to anybody, I think, today.

And I think you and I have a somewhat similar philosophy. At least that's why I follow you. Your most recent book, Stay Rich with a Balanced Portfolio. That book is about keeping the money you accumulated, focusing less on growth, but more on having the security and the peace of mind that one can maintain through the volatility that we're seeing today. And I think we're going to see for the near term and maybe longer term. Can you espouse on some of those principles?

Ted Oakley: People that have a liquidity event, they're smart people, don't get me wrong, but they also confuse themselves sometimes with being wise because they haven't really been through a lot of things where you had to really understand how to manage money.

And so for us, we've always said, “Look, if you're going to be balanced, you're going to have two sets of money. You're going to have what we call base capital and investment capital, and you can't mix the two.” The base capital is the one that you say, “Okay, look, I know I'm not going to make as much money on it, but the worst comes to worst. This money is going to be there. And if I need that to get across the river, on the other side of the valley, so to speak, that I'm okay.” And so we've always, that's always been what we do. And I think what happens with people is they get caught up listening to other people, you know, “I'm making this amount of money in this real estate deal. I'm making this amount of money in these private companies, in the stock market, et cetera.” But if you look at Michael Stewart, I don't pronounce his name exactly correct, Tiger 21, he will tell you that most business owners after selling a company, and this is high net worth to ultra-high net worth people, they return about five to six percent.

That's his number. When you get caught up in this idea of you have a good year, a couple good years in the market, you think, “I think I can do 12.” You probably can't. I think you have to have a portfolio of balance. And I always think about the downside. What's the worst thing that could happen?

I've always said in sports or in business or anything else, defense is number one. And so from our standpoint, we always play defense first. And every account we've ever lost usually was because we weren't aggressive enough at that time for those people. And that's okay if that's what they want. I'm just saying that's how we set it up.

When we go through really bad times, we really don't get hurt very much. And I think that's a big key to it all. If you look at markets where the markets are down like 50%, 2000, ‘03, down 54%. I think we were down 10. I don't have these audited, but I'm just saying. You have to be willing to play again.

People get caught and they're in the wrong things, especially nowadays. A lot of people are in all of these alternative investments that are illiquid. Not the stuff that you're doing with a real estate you can go see and kick the tires. I'm talking about things that are their fourth party removed.

They don't have any idea what it is. And they certainly can't get out, but we see a lot of that now. And it's pretty pervasive. I think that's going to be painful for them.

Dr. David Phelps: Ted, I recently published a new book called How Much Is Enough? And reflecting on what you just said regarding the two different accounts, your base account and your investment account, would you say that then for those who have left business, left active income, that their base account, then based on a nominal conservative return, you mentioned 5 to 6%, which certainly you could do in short term treasuries today, at least today you could. That's where that base account should be invested in something that has very low downside risk.

And then the investment account would be the capital that you would perhaps invest to offset the inflationary trends. Would that be a way to look at it?

Ted Oakley: Just jot this down sometime. Go back to 2000 and just jot down all the things that happened major worldwide between 2000 and now. And you'll realize that you don't have a clue as to what's going to happen in the future when you're talking about is enough, you have to be in a situation where you can say, “Well, if one of these black Swan events or horrible things happen, where does that leave me?” If you get all that done, right, and you've got liquidity, then you've got to be willing to take the risk to put it out there, too, when you can really do things cheaply. It's such a hard question because of all the things that you don't know in the future, everybody is searching for this holy grail answer. “Do I have enough to make it all the way across?” And in most cases, they do if it's handled correctly.

Let me just say this to you, David. In all four, I've rarely had people run out of money. If they handled it right, I'm saying now. The people that had their head on straight and handled it correctly. And I have had a lot of people pass away and get to be, you know, 80s, 90s. Had one call me yesterday. He’s 92.

And I've done business with him for 40 years, I guess, 35 or 40 years. He's fine. He and his wife, she's 92. You have to be careful. Keep it where your return is always greater than inflation, at least, okay. Then you're going to probably be okay. That's a tough book to write too. I'm glad I didn't have to write it and you did.

Dr. David Phelps: Well, we'll see how it plays out. It's kind of the formula that I used, even though I'm not like you, I'm not quote “retired”. I just love what I do. But at some point you have to paper that out somewhere, and having some kind of a formula, I like Your basic investment account. I think that serves at least a framework that works very well.

Ted Oakley: Well, you asked me earlier, yes, what do people miss in our business? And there's the two main things they miss is this. Number one, people spend more than they tell you they spend. If you ask somebody, “What does it take you to live on this year?” We always increase that number by 20%. Works out about that way, because no matter what they tell you, they show up and do something else.

And so we always go back to them and say, “Look, we're going to run that number at 20, because we have to make sure you're going to be okay.” And then the second thing they do is they always forget about inflation. They say, “Well, we'll pay you. You will pay you 200,000, 250,000 for the next 12 years.” Well, 250,000 12 years from now may not be that great. We've

Dr. David Phelps: We’ve talked about the economy, the trends right now that, that don't portend to be very good looking ahead. What about opportunities? What sort of opportunities might you be looking for over the next several years, as you're looking at the overall marketplace and investment opportunities, Ted?

Ted Oakley: Well, I think anytime you have liquidity at the right time, the best thing, the most money I've personally ever made are always during the worst times, even when I was a young man. I'll just give you an example. In ‘08, we had so many companies that went from say $100 to like $1.50. I think those kind of opportunities, they will come up again.

Now you got to manage them right. I know for me personally, I took 15% of the portfolio mine. I wasn't going to take any more than that because that's all I was going to lose on it. And I bought 30 of those companies and two of them went bankrupt and the other 28, I don't know, the next two years, the return was unbelievable.

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That market year, that alone made the market year, ‘09 for me, 160% year. Now, you have to do that kind of thing correctly. We had a really big year for our managed accounts too because we were able to get 15 and 16% yields, but we had liquidity. That's all I'm trying to say here is if you have liquidity, I don't know where it's going to show up, but it usually shows up in real good real estate, some really good guys in the market, or you might even find a business where, pretty good business, but they are just choked down.

Those are the kinds of things you see. I mean, anytime people get in trouble, just the average person, they're gonna sell things to you for nothing. And I always tell people, hold that liquidity 'cause that's what will make you a lot of money eventually

Dr. David Phelps: Isn't it Hemingway that said, how do you go bankrupt slowly at first and then all of a sudden?

And so same thing with liquidity. It starts to drop, it goes quickly, right? And creates a lot of stress. Is there anything new on the forefront? You have any new books coming up or anything new that is happening within the realm of Oxbow?

Ted Oakley: We've got a new book right now. It'll be before the end of the year, the title of it's Second Generation, Third Generation Wealth, and the subtitle is, It's Tough. And it's a hard subject, as you well know, because people that have a lot of money, they don't want to spoil the next generation or the generation after that on the one hand, but on the other hand, they don't want it to be too tough on them. And I'd have to say, if you had to go one way or the other, I'd go with the tough line first.

Dr. David Phelps: Based on my conversation with Ted, I want to dig deeper in the main considerations in the economy today that affect you as an investor and a business owner. How is this relevant for you? What do you need to watch out for?

What options do you have to protect your wealth and investments? And why is real estate, alternative investments, stay strong investment vehicle for the security and sustainability of your financial future? Look, there is no investment that is risk-free. There's no investment that can hedge against all particular market cycles.

But what I've learned in my own investing, navigating, and mining my own experience now for over four decades, is that tangible assets, hard assets, that includes your business, includes real estate, includes commodities, concludes fossil fuels, includes precious metals. Those hard assets, in my opinion, provide the greatest amount of predictability, sustainability, and lower volatility.

Now, again, they're all suspect to moves in the economic cycle, but much less than in the financial markets, and we're seeing evidence of that again, this very week with the plunge in the major stock indices. We're seeing it in crypto, which is again, a very volatile asset. We're seeing the tech stocks that were high flyers for this last greater part of the year. Now it's starting to fail. The problem with financial markets is that the sentiment is what draws up or draws down those markets. In other words, the psychology, human behavior. Whenever markets are going up, it draws a bigger crowd, and everybody piles in, even late into the game. When the markets go down, they drop just as fast, if not more quickly, than they go up.

Again, because of market sentiment. What's happening this week is partially a result of all the arbitrage, another word for leverage, in the overall marketplace today. And I don't mean just nationally, I'm talking about globally. We have been living off of cheap interest for the last two decades, really going back to declining interest rates over the last 40 years.

I've spoken about this repeatedly. The fact that low interest rates, low cost of capital provides for greater amounts of speculation. That speculation creates a preponderance of people who are not going by investing fundamentals, but they are putting money out and taking a spread with leverage underneath.

Our whole economy is based on leverage today. The national debt has crossed 35 trillion dollars. All of this leverage overall is just like a wick ready to be, have a fire set to it. And I think this week in the financial markets, we're seeing the first start of that. Is this the end of it? Is this just a small pulse in the overall economic downturn?

We won't know for some time, but I would say that anytime there's been a parabolic upswing in the markets, particularly the financial markets, the downswing is just as hard, just as fast, just as furious. In fact, it's what we call reversion to the mean. Reversion to the mean means what goes up is going to come back down, and usually, when it comes back down, it comes back down and goes through the floor before it comes back up to some kind of steady state.

Alternative investments, again, tangible, hard assets, are what I found to have less volatility, more predictability, and more based on fundamentals of the economics, of the cash flows, predictability, the essentialness that we invest in today. Well, your very business. How essential is your business to providing services or products that the consumer today wants or needs even in times of recession?

Those of us who are in healthcare, pretty rock solid. Other areas like hospitality or travel, entertainment, luxury, not so much. So your business can be a really good asset if you're in the right market. Tangible hard assets like real estate, shelter over one's head. That is one of the keys that make real estate a very fundamental need.

Now, again, real estate can be offset by too much leverage in the marketplace, but understanding where the layers of the onion come and how to invest in the right aspects of the real estate marketplace to put yourself on a higher ground while we're waiting for the drop and correction only to write it back up again is one of the strategies that I've used over and over for many years.

This is the overall picture today. And again, financial markets can provide some aspect of your financial outlook and your financial welfare. But if you're loaded up and putting way too much on your 401k, your cash balance to find benefit plan, your tax brokerage accounts, you're speculating too much on tech stocks or NVIDIA.

It's time, if not, maybe too late to back down a little bit and look for some more fundamental aspects of investing that will help you preserve capital and maintain your purchasing power in light of the heavy inflation that I think we're going to see for the next several years. In fact, the next decades.

If you're interested in learning how to create your Freedom Blueprint throughout market volatility using real estate as a cash flow generator to replace your active income, I encourage you to schedule a call with my team at FreedomFounders.com/discover. That's FreedomFounders.com/discover. I'm also hosting a web class next week to discuss building your financial arc, protecting yourself from volatility and the turning of the market cycle. This web class is free, but you do need to reserve your seat by going to freedomfounders.com/webclass. That's freedomfounders.com/webclass.

Don't forget to hit the like button and subscribe to the podcast wherever you're listening.

I'll see you next time.