

The End of Cheap Money – 5 Rules To Thrive In The Next Decade

Guest: Dr. David Phelps



David Phelps I know too many professionals in my arena who back in the dot-com meltdown in 2000 and also the GFC great financial crisis 2008 massive losses in their portfolios and had to either greatly downsize their lifestyle Scramble and or go back to work

You've got to be able to spread your risk You've got to learn how to do this and don't just advocate everything to third parties in financial markets Before you rush to sell the practice you're tired of, stop

Your practice is still your strongest lever

Not to trap you, but to buy you options

Options to simplify, stabilize, partner or sell on your terms

This November, I'm leading a four-week masterclass designed to help owner doctors like you create margin fast, understand what buyers really value, and build replacement income so you never have to negotiate from weakness

By the end, you'll have your own Option Ready Plan

A clear path for the next two, three, four, five years

Whatever makes sense for you, your life, not just your practice

You want fewer moving parts, more margin, and a freedom to choose your path, this is the place to start

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Because freedom isn't selling fast, it's being ready for any option

Sign up before the deadline hits on November 3rd

Today, I'm bringing you a special episode

I've been observing and studying the seismic shift happening across global markets, the end of cheap money era, drawing on my decades of investing experience and macroeconomic insights from my observations and those much smarter than I

I want to unpack why relying on appreciation, paper assets, or old school retirement models is a dangerous game in today's world

And I want to share five rules for the next decade, principles rooted in cashflow, collateral, liquidity

risk diversification and hard asset ownership

Whether you're a mid-career, nearing retirement, or guiding the next generation, this episode will arm you with the clarity and conviction needed to move forward intelligently in very uncertain David here

The last several years, I've been speaking more and more about the end of an era, the end of what I call cheap money era, going back 15 years and even going back 40 years where we've had artificially subsidized low interest rates, cheap debt, which is allowed for the speculation of assets, asset bubbles everywhere, asset bubbles in crypto asset bubbles in the financial equity markets, asset bubbles in tech, asset bubbles in real estate, you name it asset bubbles everywhere

A lot of people are starting to think, well, this is normal

This is, this is what we should expect

And so every time there's a little blip like the COVID blip that we had, as had back in 2020, where the markets tank, well, the fed comes to the rescue and props it back up with what we call helicopter money, financial and fiscal and monetary policies that only kick the can down the road

And I think a lot of people are starting to think, well, we can kick this can down the road forever

Certainly the politicians think we can

and they certainly live for today, not for tomorrow

They are all about their tenure

And in my opinion, do nothing to protect the solvency and security of our nation, but I can't deal with that

That's nothing I can do anything about

What I can deal with is what I do for myself and for the people I care about, my family and people like you who will at least listen to what I have to say, whether you do anything or not, it's really up to you

But with this change in really not, it's a market cycle change

It's really a regime change

It's a

It's a macro generational structural change that I believe we're in right now

The old days where we didn't worry about inflation, inflation ran below 2 % per year for over 40 years until we hit COVID and then we hit 2021, 22 and the massive rise of inflation, which brought upon us the higher interest rates

And even today, five years after COVID, we're still fighting against inflation
Yet at the same time, the big push is to get the federal reserve to reduce interest rates so that we can get back to some some normalization because frankly, there's a lot of disruption in the market
There's a lot of weakness in the economy, even though the pundits and the government will tell you it's all good, it's all good
I'm telling you it's not
It's just a matter of when it breaks, how it breaks, that I can't tell you
The problem I see is that again, too many people are still shooting for the moon and so much liquidity is still in the marketplace today that again, it's gonna press these asset prices higher
Now, if you're younger in life or even mid-career, you can live to fight another day, assuming you're willing to go to work and can do the work
You can at least maintain some semblance of a lifestyle because your income should maybe not stay up with inflation, but has some index to it
Yet when you get to the point where you're ready to stop your active income, that is retire, which is not a word I really care for, but you're stop active income because you want to, you have to, your body can't take it anymore, it's just time
There's when the problem comes in because we're not used to, and your financial advisors are not used to a marketplace that has changed dramatically
yes, we can still think that maybe that our stocks and 401ks and anything else we invest in is gonna continue to go up
The question is, it? When will there be a correction? I know too many professionals, too many people in my arena who back in the dot com ■ meltdown in 2000 and also the GFC great financial crisis in 2008, massive losses in their portfolios and had to either greatly downsize their lifestyle, scramble and or go back to work
I recently had a member in Freedom Founders, a very prominent doctor who left his oral surgery practice partnership some years ago on a normalized buyout and his financial advisor told him, you and your wife should be okay until age 92, as long as, those are the keywords, as long as there's not a major market correction within the first three years of retirement
Well, where are we today in the market? I can't predict and I'm not telling you there will be a major market correction in the next three years, but I think the chances, the odds are to have it happen sooner, not later are there
So how does that leave somebody who has worked hard all their life and put their money away as disciplined as they can, where the pundits and Wall Street and money managers will tell them to do it? Tax deferred accounts
I am not against tax deferred accounts
I'm just saying today's an era where we just hedge and hedge much more strongly than probably we ever did in the past
I'm gonna keep this as short as I can
There's much more I can say and I'll bring more of this to you on future blogs
But if I had to give you five rules for the next decade, and this could probably go longer and something you should probably teach your kids in terms of how they invest mean, number one, we invest in ourselves
So that's something a skillset

you have skillsets and multiple skillsets, no one can take that away from you
And that goes beyond your technical training and your profession, your career, your academics

That goes into what I call soft skills, skills of communication
financial acumen, things that aren't typically taught in school today, if you can embolden those, then you've got something that will never take away from you
That's number one

Secondly, invest in your business, whatever that is
Invest in your business and then everything is secondary to that
And again, you have to invest outside your business, because someday you sell the business and you're gonna have those assets, you've got to learn how to invest those
So you might as well learn along the way how to make investments outside your business
With those, here are my rules for the next decade

It's cashflow over appreciation
appreciation, take it where you can get it
But remember, appreciation today is more inflation induced
We have seen the dollar lose value faster than this last year at a rapid rate that has in 50 plus years since 1973

So when assets go up, whether that's stock equities, whether that's crypto, whether that's gold, even real estate, which is taking a bit of a hit right now because of the inefficiency of that marketplace

But when those assets go up, It's a reflection of the dollar is going down
So you may feel like you're richer, but the cost of living is going up just as fast
So you've got to keep pace with that

Whether you're still working in your career, your business, or particularly if you're not, then how do you maintain the buying power of the nest egg, the retirement nest egg that you were hoping was gonna carry you to the end? It's a lot tougher today
So it's gotta be cashflow over appreciation

Take the appreciation where you can get it, but cashflow is the key
If you're just hoping for growth to keep up, I think it's gonna be a
a tough road ahead because I don't think we're seeing the growth that we've had in all these asset classes going much further than we have in the last five, six, seven years

Second, collateral
What do you have as collateral for your nest egg assets? I think collateral is gonna be very, very important

If you own a business, that's collateral
If you own real estate or tangible assets, you've got collateral
If you own financial products, maybe not so much
Again, I'm not telling you not to have financial products
There's liquidity options there that you don't have in tangible assets
but you've got to be able to spread your risk

You've got to learn how to do this and don't just abdicate everything to third parties in the financial markets

Liquidity by design

Lots of people say, well, I've got to keep all my money invested because I've got to make my money work
Look, I'm a big fan of that
When I was young, that's what I did because I was young
I had the opportunity and I could always live to fight another day
And if I took risk when I was younger, it wasn't a lot of risk because I didn't have a lot of assets
I had more time than money
When you're further upstream, In your life and your career span, you've got to start looking more at preservation
You've got to look more at the collateral that's backing the assets that are gonna carry the day for you
That's why, again, I like tangible assets
You pick yours, but I think hedging and diversifying across a number of those assets is very, important
Diversifying by risk, not by label
Risk is a big factor we have to look at today
And again, the complacency in the market is don't worry about risk
Everything goes up, I'll say, until it does it
And when it doesn't, that's where you take risk
So you're gonna lose probably some assets, asset value in certain categories
That's just gonna be a given
So what do you protect yourself if you're still trying to get a modicum of a return on investment? You've got to spread it around today
That means you've got to become a little bit more of a generalist in your investing
I was always very, very focused on real estate
Well, I was hands-on when I was younger
So I could take the risk because it was more like my own business, like my dental practice, I was hands-on
So I could mitigate a lot of risk
Today, I don't wanna be hands-on anymore
I value my time, so I have to trust through different assets and through different operators who I want to manage those assets
But again, I have to be more active in that pursuit
I cannot be fully passive
It's a choice
It's about being your own financial advocate
Finally, it comes back to my overall sentiment here
Own what the Fed can't print
The Fed can't print money, essentially, digitally
Expand credit
I don't want to be in that place
I want to be a place where I actually have assets the whole value
It could be farmland
It could be real estate
It could be crypto

It could be precious metals
It could be commodities, rare earth
I'm talking about things that you actually can see, feel, and touch
And that's not easy to do because there's not a lot of that ability to do that in the financial markets
I want to be in a group, in a room, in a place where I can build the relationships and make the decisions that I need to make for myself and my family
It does take time
It takes some real focus
takes..
your willingness to sacrifice a little bit for your financial future
But again, this is something you've got to teach your kids and the generations coming up
Too many have been bought on the fact that you can just go into Robin Hood and speculate and make lots of money
It's not real world
We've lived through a very anomalous period of time
It's had a benefit for many of us that lived during that period of time
I don't think it carries forward
It's not to be a pessimist
in a new era
That era means new challenges, has the opportunities, but you've got to be on the forefront to grab those
I hope this is helpful
If you're a dentist or high-level professional who's tired of being in the passenger seat when it comes to your finances, it's time to take the wheel
At Freedom Founders, we're not just about investing, we're about transforming how you think, plan, and lead your finances, time, and relationships
When you gain clarity and take ownership, confidence falls in every aspect of life, even in uncertain times
If you're ready to live with more freedom, direction, and peace of mind, Schedule a call with my team at freedomfounders.com forward slash discover
And let's talk about what's possible when you take control.