

EXPERT CONTRIBUTOR | By Rich Groff, CFP



## Part 3: Post Covid-19 Shutdown Intensifies Investment Concerns

In continuation from June's Part 1 and July's Part 2 articles available if you missed them at [www.RichGroff.com](http://www.RichGroff.com). Let's now focus on *tangible assets* such as gold, silver, and platinum as to why these are important during crazy times like we've been experiencing. We in the U.S.A. are going to pay a heavy price not only for the disease, but for the government's financial and economic cure. There seems to be this assumption that the government, and the central banks, can just "stimulate" away the economic problems by printing and spending dollars.

The majority of economists and financial experts agree that the biggest threat to our economy and markets is our huge debt load. The experts agree that this debt will never be repaid! Defaults and high devaluations are coming.

When COVID-19 hit the U.S., the economy was shut down. This action caused over 44 million Americans to lose their jobs. The effects of the shutdown created massive financial and economic problems for individuals, cities, and governments. The Fed., central banks, with Congress' approval are running the printing presses 24/7. Some estimates state that by the time this pandemic runs its full course over the next couple of years, close to \$10 trillion will have been printed. Chairman Powell of the Fed stated, "Now is not the time to worry about debt." There are fifteen million credit card accounts and three million auto loans that did not get paid in April. Additionally, 46% of personal rental payments were not made and 90% of commercial rent was not paid.

Powell assures us short-term rates will stay close to zero for the next two years. He also stated that he expects millions of jobs are permanently lost. "We are committed to do whatever we can for as long as it takes," Powell said. This pessimistic view is shared by analysts who expect earnings to decline for at least the next year.

Gary Christenson, of the Deviant Investor, stated "Everyone must have a plan as this debt put the U.S. in the same category as Greece, Lebanon and Japan when it comes to the most heavily indebted countries in the world."

### What Happens to The Dollar?

Since 2000, the dollar has lost 98% of its purchasing power and is now only worth 2 cents and falling! The relationship of the dollar to precious metals is interesting; as the dollar loses value, precious metals increase in value.

The reason that precious metals should serve as the foundation of your financial pyramid is because metals have become the "go to asset", or the best insurance policy, regardless of what happens anywhere in the world. It's very interesting that billionaires and banks all over the world are now the largest buyers of physical precious metals.

### Let's compare the long-term purchasing power of the dollar to gold:

In 1975, you could have bought a new Chevy Camaro for 22 ounces of gold. In 2018, you could have bought the same new Camaro for 22 ounces of gold. Now that's protecting your assets from inflation. Bank of America has told their clients that they see gold reaching \$3,000 an ounce, with silver and platinum to follow within only a year.

### How Should You Purchase Precious Metals?

The only safe and effective way to purchase and own metals is to buy physical coins and bars that you can hold in your hand. You should securely store the metals in your home rather than a bank or storage facility that's out of reach. Most importantly, we do not recommend that you only purchase paper gold or silver ETF'S, exchange traded funds. By purchasing ETF'S, all you have is a certificate that says you can exchange it for the physical metals, but in reality, it's a check or the same problem discussed previously with the devaluation of the dollar!

If you are a qualified investor and would like to inquire further as to how my team and I can work for you to tailor-make a "Covid-19 Financial Strategy Protection Plan" please let me know.

*Rich Groff II, CFP is a 3rd Generation Certified Financial Planner and resident of over 3 years on Flathead Lake with offices in Polson (across from Pure West Realty) on the lake and Peoria, AZ serving wealthy clients throughout the country since 1989. He is a distinguished Top of The Table advisor which is awarded to less than 5% of all financial advisors in the world! Refer to [www.RichGroff.com](http://www.RichGroff.com) for company's client minimum. He offers qualified inquiries an initial 30-minute complimentary strategy conversation and then will outline within a consulting agreement those areas most important to you before a retainer fee is accepted. Any questions can be directed to him [Rich@TheMoneyMD.com](mailto:Rich@TheMoneyMD.com) or call 1-888-858-4996 and coordinate a mutually convenient time with his assistant, Kathy Webber.*