



# Retirement *Lifestyle* Advocates

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RADIO PROGRAM

Expert Interview Series

Guest Expert: Kerry Lutz  
**Financial Survival Network**

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**Dennis Tubbergen:**

I'm Dennis Tubbergen. You are listening to RLA Radio. This segment is an interview that I did with Kerry Lutz. Kerry, who is the founder of the Financial Survival Network and host of the radio show and TV show by the same name, invited me on the program to give him my take as to what's going on in the current economy. I thought I'd share that interview with you in this segment. Before we get to that though, if you have not yet requested the March report, which is the Little Black Book on Social Security Maximization, I'd invite you to go to [requestyourreport.com](http://requestyourreport.com) and get your copy. It's absolutely free. I'll send it to you without any further obligation. Again, that's the Little Black Book on Social Security Maximization. It's yours by visiting the website [requestyourreport.com](http://requestyourreport.com). And now let's get to the interview that I did with Mr. Kerry Lutz.

**Kerry Lutz:**

And welcome. You are listening to and watching the Financial Survival Network. I'm your host, Kerry Lutz. Hey, we're just in the first week of March. So much is happening on the economic front, so much that gets overlooked. We're seeing gold, Bitcoin hitting record highs. We're seeing deficits as far as the eye can see, multi-trillion-dollar deficits per year. Where is it all going to end? Is this sustainable? Can it continue? What about real estate? Where are the real estate markets heading? Dennis Tubbergen is with us now, well-known financial expert, author and radio guy as well. Dennis, great to have you back on the show. Hey, how have you been?

**Dennis Tubbergen:**

Kerry, I've been great. Always a pleasure to chat with you both on and off the official recording. So, appreciate being with you.

**Kerry Lutz:**

Hey, well, we're at that special point in life, you and I, where we get to sit back a little bit, take it easy and enjoy the fruits of our labor, and we get a front row seat on the financial insanity and geopolitical craziness that's taking place here. And look, we live in a connected world. Everything is connected. If the butterfly flaps its wings down in South America, then you're going to get a hurricane in Florida. Everything's interconnected. As far as economy, deficit, inflation, all these good things. They're all connected here. What are you seeing?

**Dennis Tubbergen:**

Well, I think the first word that comes to mind, Kerry, when you start looking at some of the economic data that's being reported and has been reported is artificial. Just to give an example, fourth quarter GDP increased

\$343 billion according to the latest revision. That sounds like great news, but at the same time, when you look at U.S government debt, that was up 843 billion. And as I'm sure many of our viewers and listeners are aware, when you calculate gross domestic product, government spending is part of that. So where is the economy really without this deficit spending that is on track for probably \$2 trillion this year would be my guess. That's before an election year giveaway, which I would also expect. So we have artificial growth in GDP. I think the real economy is contracting, and I think if the government was forced to operate with a balanced budget, we would be in a severe recession at this point. And I'm not convinced we're not there.

**Kerry Lutz:**

Hey, so Dennis, when Bernie Madoff was booming, when business was booming, he was a positive contributor to the GDP numbers, and then when he blew up, he was a negative contributor to the GDP numbers. I mean, it's all just a Ponzi scheme, isn't it?

**Dennis Tubbergen:**

Well, yeah, it really is. I just did a piece on my radio show that asked, is this growth or is it cash flow? I mean, if I make a hundred thousand dollars a year, that's my personal GDP. If I go borrow another a hundred thousand dollars, my cash flow looks great, but did my personal GDP just go to 200,000 or did I just increase my cash flow by 100,000 at the expense of my future GDP? And that's exactly what we have here, is a Ponzi scheme. And Ponzi schemes, by their very nature eventually explode. They implode, I should say, because you've got to find new people to lend us money and that well will run dry.

**Kerry Lutz:**

Hey, could you imagine if Bernie Madoff had access to a printing press? He'd still be at it.

**Dennis Tubbergen:**

Yeah, and undoubtedly making big political contributions with the printing press proceeds.

**Kerry Lutz:**

That's for sure. Hey, so interest rates, they stabilized a bit, then they went down a little bit, then they went back up a bit. But long-term, they've got to go up, don't they?

**Dennis Tubbergen:**

Well, I think so. I mean, if you take a look at the level of debt the U.S government has, I read an amazing statistic, Kerry, I guess I knew it, but not necessarily, I haven't really put it in these terms. US government debt increases a trillion dollars every one hundred days. When you think about it, that's unfathomable. Now, when you think about it every one hundred days at 5% interest, having to finance another trillion dollars, \$50 billion gets added to just servicing the debt, the new debt every a hundred days. So, over the course of a year, that's \$150 billion and we've got a snowball rolling downhill and the bigger it gets, the bigger it gets. So, at some point this has to blow up.

**Kerry Lutz:**

Yeah, I would think. The only surprise to me, quite frankly, Dennis, is that it's taken as long as it has.

**Dennis Tubbergen:**

Well, Kerry, if I were to have guessed timing, I would've been wrong several times in the past as well. It is just hard to fathom the fact that no, I think interest costs on the US government debt are in excess of a trillion dollars a year. To put that in perspective for our listeners, social security, I think by the latest report was underfunded by \$61 trillion, and the annual outlay for social security is only 1.35 trillion. So interest on the debt is very closely approaching what the entire outlay for social security is. That is a crazy, crazy number.

**Kerry Lutz:**

Yeah, that is insane. And especially since I started collecting it recently, maybe I should just do full retirement and get the most I can because this thing's going to blow up. Or do I wait till I'm 70? I mean, that's a question I have, Dennis, and many of you out there have that question. Do you retire early at 62 if you can do it, if you have no income or then you might need to, or do you do it at your full retirement age, which right now is I think close to 67, what are you supposed to do here?

**Dennis Tubbergen:**

Well, it is a great question. I think ultimately it depends on what the policy response is. Under normal circumstances, I mean, I've looked at social security, I'm not old enough to collect it yet, I have age 70 in my sights. Ultimately, if the federal government continues to operate with these huge deficits, which it appears, as you said at the outset, it appears this is going to be the policy for as far as the eye can see. If that's the case, then I think you've got to have the Fed go back and become the lender of last resort.

Christopher Waller, the Fed governor last week just kind of dropped a quiet bombshell saying, "Hey, the Fed has to get rid of more mortgage-backed securities, and what we need to do is add more short-term U.S. treasuries to our portfolio." I found that was interesting given that this emergency bank lending program that was put in place a year ago expires March 11.

So now all these emergency funds are going to dry up. And the timing was quite interesting that the Fed now says we need to add to our short-term US treasury holdings. So, I think the Fed has not quit creating currency. They can't go back and use the term quantitative easing because it would incriminate them. But I think essentially that's what's going to happen. So, I believe social security to get back to that point, I think you're going to collect your benefits. I just think they're going to buy a lot less than they do today. And given this policy, I don't see how we avoid a highly or hyperinflationary outcome.

**Kerry Lutz:**

Yeah, well arguably in places like New York, they're already having it. So not to get into the political thing about the former president or the current occupant of the White House, because this is a family show after all, right? But when you look at the truckers strike there, boycott of New York City, and I don't know, you can't believe the media because they lie about everything, but it certainly appears something's happening in New York. They're already close to hyperinflation. The taxes are out of control. They just put a congestion tax, you drive into the city, you get taxed. Where does New York City wind up in all this?

**Dennis Tubbergen:**

We were talking about this. It's interesting how the red states are getting redder and more populated. The blue states seem to be getting bluer and less populated. So, I think that tells you where the American people are. So where does New York end up? I think the situation just gets worse. But the truckers are great example. "Hey, you can't do what you did to President Trump." Love Trump or hate Trump. Trump's got a rabid following and they're standing up and saying, "Look, it's time we do something." And I think you're seeing more and more of that. Personally, I think that that's what's going to take, I mean, to quote another news item, I thought it was interesting. The new president of Argentina balanced the budget and had a surplus nine weeks after entering office. I think we need an Argentina moment, and as painful as that would be, it's going to be a lot less painful than enduring this hyperinflationary outcome that I think is inevitable if we continue on this path.

**Kerry Lutz:**

Yeah, well it's certainly economic collapse on the horizon.

**Dennis Tubbergen:**

We will get back to the rest of that interview in segment three. Before we do, however, let me remind you if you are just tuning in, that I do have the March special report, which is the Little Black Book on Social Security Maximization. To get your copy of that book absolutely free. Visit [Requestyourreport.com](http://Requestyourreport.com), let me know where to mail you the book, and I'll be very glad to do so. Stay tuned. The interview with Kerry Watts will continue after these words. Welcome back to RLA Radio. I'm your host, Dennis Tubbergen. In this segment, we'll get back to the interview that I did with Kerry Watts this past week. We're going to pick the interview up, Kerry had just asked me about my forecast for the economy and I had suggested that if we stayed on the current path that we would be looking at an inflationary or hyperinflationary outcome. We will pick up the interview there.

**Kerry Lutz:**

I'm sure you've been watching gold, as we're speaking, gold is up \$17 the ounce today on the spot market at \$2144 all time record highs. It doesn't look like anything is standing in its way of making more highs, does it?

**Dennis Tubbergen:**

Yeah, I mean, I looked at it before we started this interview. It actually hit \$2155, so evidently has pulled back a little bit. And Bitcoin also all time new highs, Bitcoin at about \$66,000. So what does that tell you about looking for alternatives to the US dollar? And another interesting story, you've got a lot of insider selling going on in the US stock market. You've got Bezos selling I think \$4 billion of Amazon stock. You've got Jamie Dimon. I think for the first time ever unloading some of JP Morgan Chase stock. You've got Zuckerberg selling stock. So are they concerned about the stock market or are they diversifying out of US dollars? I don't know the answer to that. They don't talk to me. But given what you see happening with gold and Bitcoin, I think it's a fair question.

**Kerry Lutz:**

I think it's a very fair question and I'd like to know the answer to it, honestly. Something is afoot and we've got all these awful geopolitical trends taking place. All of this is happening here before our very eyes. And you got to wonder, is there a trend? Is there something happening here that we're not seeing?

**Dennis Tubbergen:**

Well, and there's just crazy headlines. You may remember back in the day, when I was 20 years old, I didn't have the money to afford a nice car, but I wanted to have a nice car because girls like nice cars. And I would go through and peruse the used car ads and they would say, "Take over payments for this car." People got themselves upside down on cars and they just wanted somebody to relieve the burden. Well, now you're seeing office buildings presently being sold the same way.

The Canadian Pension Plan Investment Board recently sold their interest in a Manhattan office tower development. You probably saw it, for \$1, just take over payments. What does that tell you about some, obviously they must be pretty savvy, astute people running a pension fund and they say, "You know what? Take over payments. We just want out." What does that tell you about the future of commercial real estate? We've got so much debt on the public balance sheets, so much debt in the private sector that we're going to have to have some type of a forced debt jubilee because not all this debt can be paid. And I think these are symptoms that we're now maybe seeing the beginning of that forced jubilee process.

**Kerry Lutz:**

I think you're right. And what choice do we really have other than a jubilee Dennis?

**Dennis Tubbergen:**

Well, I mean the math is the math. So, I'm reminded, I live in Michigan, I'm reminded of when the city of Detroit declared bankruptcy, and I interviewed people on my radio show that were debating whether or not federal law would supersede state law or state law would supersede federal law.

**Kerry Lutz:**

I remember that.

**Dennis Tubbergen:**

So, it's like, who's going to get paid? Well, maybe I'm not the smartest guy in the world, Gary, but I happen to know if there's no money in the checkbook, somebody's not going to get paid. And that's really where we are. So there's too much debt to be paid, we know it won't be paid. So that is deflationary in nature. And the Federal Reserve's response to government debt has been creating currency. So, I'm looking for a stagflationary environment. I think we're going to see a decline in the value of things we own, for the most part, with probably gold, silver, and those types of things

being the exception, maybe some types of real estate. And I think we're going to see more inflation in the consumer items that we have to buy.

**Kerry Lutz:**

Yeah, well hey, even if the inflation rate goes down to two or 3%, it's still 20% higher than it was a few years ago. So, you're still paying 20% more and the middle class, in these cases, Dennis always playing catch up, right?

**Dennis Tubbergen:**

Yeah, I mean, when you look at the statistics, I recently read a report, it read more like propaganda to me, but I'll call it a report.

**Kerry Lutz:**

Imagine that.

**Dennis Tubbergen:**

And it said that despite inflation, wages have kept pace with inflation. Well, that's if you use the official inflation rate as measured by the consumer price index. But you and I both know that is a completely bogus, completely manipulated number. There's hedonic adjustments, there's substitution adjustments, there's weighting adjustments, and bureaucrats can change the weightings, change the substitutions to arrive at whatever number really they want to arrive at. And the bottom line is when you've got 67% of Americans living paycheck to paycheck, I think was the last number that I saw, and personal debt in every category, credit card debt, auto debt, mortgage debt all up in the fourth quarter, you know what people are doing to make ends meet. They're adding to debt. And that is not a sustainable situation. And that's where I think you're starting to see a lot of these signs that we're getting close to this moment of reckoning.

**Kerry Lutz:**

All right, so in every, the old Chinese character for crisis, danger, and opportunity, we're in a dangerous time period. Now, where are the opportunities?

**Dennis Tubbergen:**

Well, I am a big fan of precious metals at this point. I think gold and silver both have a lot of upside. I recently interviewed John Robino who wrote a book with James Turk 11, 12 years ago called The Money Bubble, What to Do Before It Pops. It was really a prophecy. But John just was talking about the fact that here's a way that silver quickly gets to over a hundred dollars an ounce. And it had to do with not only monetary policy, but really



industrial demand versus mining output. There's a lot more industrial demand now than there is mining output.

And if you look at gold, look at the last two gold bull markets and we see 7 to 800% as being the top to bottom movement. This started at, just call it a little over a thousand. We're now at about 2000. So, I think see gold go to 7 or \$8,000 if it only does what it did in past bull markets, I would argue the current situation is more extreme. And you might see a guy like Jim Rickards who said 15,000. That wouldn't surprise me either. So, I think if I'm listening to this and I'm someone's who's aspiring to a comfortable stress-free retirement, I'm going to ask myself, what assets do I have in my portfolio that do not have counterparty risk and what assets do I have in my portfolio that they can't print? I think those are two very important questions.

**Kerry Lutz:**

And maybe that they can't steal when things get really desperate because governments have been known to confiscate wealth. I mean, when things get really bad, it's happening in China right now as we speak. And that's the 800-pound gorilla. As bad as it is in the United States, we do have a record 200 years of dealing with financial crises and maybe this is the worst one ever, but the country has actually dealt with it, has a structure in place to deal with these crises. Maybe we don't like the way they deal with them, but the show goes on. In China, it's kind of like they only learned how to drive 10, 15 years ago. Worst drivers on the planet because they just don't have the knowledge base. And it's the same with their economy. They have no idea what to do. They had the largest asset bubble, asset class in the world, which was a real estate, \$60 trillion asset. That's now worth probably about \$9 trillion. But it's the Emperor has no clothes. Nobody wants to admit that the Warren Buffett, you don't know who's skinny dipping until the tide goes out. Right?

**Dennis Tubbergen:**

Well, yeah, and speaking of China, I mean you could recognize this bubble, I want to say it's eight or nine years ago when-

**Kerry Lutz:**

Oh yeah.

**Dennis Tubbergen:**

They're building cities nobody lives in, factories nobody works in, and they're passing laws that say if you are a family, you can only own two pieces of

real estate. And there was this cottage industry in China that popped up that would give you and your spouse a fake divorce certificate so you could buy four pieces of real estate instead of two. That is absolute lunacy. It's borderline psychotic. And yet that tells you, that's bubble behavior, that happens at the top of every bubble.

**Kerry Lutz:**

Hey, this could be a good TV show where the couple gets divorced, and they buy real estate. And then the wife said, "But we didn't really mean it." And the husband said, "Yes, we did, goodbye." And then he leaves and moves to the US. But hey, we've got to wrap up now. But your top three picks for 2024?

**Dennis Tubbergen:**

Top three picks, investment wise?

**Kerry Lutz:**

Yes.

**Dennis Tubbergen:**

I'll say number one silver, number two gold, number three, agricultural real estate.

**Kerry Lutz:**

Love it. All right, Dennis, just tell us where we will find you. How do we get your book and how do we connect with you on the web?

**Dennis Tubbergen:**

You can go to [Revenuesourcingbook.com](https://revenuesourcingbook.com). My bestselling book from 2020 has been revamped, rewritten for 2024. If you go to [Revenuesourcingbook.com](https://revenuesourcingbook.com), be glad to send you a copy. You can also check out my podcast on any place there's podcasts, Spotify, Apple, any place there are, Retirement Lifestyle Advocates Radio.

**Kerry Lutz:**

All right, very cool. Thanks so much for coming by Dennis. We'll talk to you again real soon. Be well.

**Dennis Tubbergen:**

Enjoyed it, Kerry. Thank you so much.