The Ruff Times
NEWSLETTER

SITTING DUCKS

When I moved to Utah many years ago, there was a pen at our new house full of rabbits with a four-foot-high fence. Living with the rabbits were two mallard ducks who thought they were feathered rabbits. They had been there since they were ducklings. They were perfectly capable of flying. They often flew up ten or fifteen feet, but they never crossed the invisible barrier of those four-foot walls, and they always settled back down into the pen. We never had to worry about our ducks getting out. They couldn't. They built their own fences.

People who complain that they can't do this, or they can't do that because they are "too old," "too poor," or "too something" have also built their own fences.

The self-imposed limit is man's only unconquerable enemy. Financial and personal survival in the difficult years ahead may depend on whether or not you are willing to break out of your self-imposed limits.

Fences

- The "**I've-Always-Done-It-This-Way-And-I-Don't-Want-To-Change**" fence.

Many of the people with this fence have inherited a stock from their parents or grandparents. Although they can intellectually recognize that changes in our inflationary future may devastate their lives, they simply can't do anything about it. They are paralyzed by their self-imposed limits. Any change from the known and familiar past that leads into unknown territory raises their fears.

- The "**Need-Income**" fence.

I hear you ask, "Alright, I believe that inflation and rising interest rates could destroy my current investment portfolio, but what should I do?"

My answer is: "The only way you can safely get income without your capital being wiped out by inflation in this crazy environment is to buy precious metals."

There isn't any other answer that gives you beat-inflation capital growth potential without accepting unknown risks. This is not "speculation." You are betting that general inflation can give you capital depreciation with the metals and rising interest returns on money-market accounts. However, because of your self-imposed limits (fear, inertia), you may be financially devastated by inflation.

You might say, "I don't know anything about the metals or even where to buy them. Tell me where I can go to learn the does and don'ts about precious metals."

PARAGRAPH ON MCALVANY

- The "**I'm-Too-Poor-To-Do-Anything**" fence.

This is perhaps the highest fence of all. I've been poor twice, probably twice as many times as you have. My mother was a seamstress who literally took in sewing to feed us. She gave me love, three square meals a day and the clothing I needed. She even scraped and sacrificed so I could have the voice lessons that would help me prepare for the professional singing career I planned. We didn't have a car. I had to hitchhike or take a bus everywhere I went until I was 22 years old. I didn't own my first car until I was 25.

51 West Center #519
Orem UT 84057
www.rufftimes.com
service@rufftimes.com

After I had some business problems in 1968, we went through three years of devastating poverty with a large family. I could have simply said, “I’m too poor.” But I don’t like that excuse.

A variation on that theme is the person who is up to his eyeballs in debt, making a middle-class salary, living in a middle-class home, leading a middle-class life and has too much month left at the end of his money. Next door there could be a neighbor making the same amount of money with the same amount of responsibilities who is saving something every month and has a growing investment fund. The difference between the two is organization, the establishment of priorities, discipline and debt avoidance. Almost anyone can reduce his standard of living to its essentials in order to accumulate an investment fund; there’s no way you will beat inflation until you do.

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Some people get mad at me because they don’t have the resources to follow all of my advice. I guess they are frustrated because they know it’s right and they find themselves unable to do anything. Most middle-class Americans could start accumulating $50 to $100 a month if they were simply willing to give up some nonessentials.

If you think you are limited you are because you have decided that you will not make any unfamiliar changes. Frankly, I have no sympathy, patience, or respect for those who simply accept the status quo and, like my ducks, built the invisible barriers which cage them. Even my turtle never got anywhere until he stuck out his neck.

We are living in a financial environment that requires fundamental changes of financial strategies – investing in those things which may have been considered imprudent and speculative in the past. Today’s risky speculation is now yesterday’s

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prudent investment, and vice versa. If you don't accept this, you will be devastated by inflation.

Whether or not you make it in the next few years will depend on whether or not you move those fences, or decide there are no fences at all and that you can do anything you choose to do.

Howard J. Ruff, legendary author and financial advisor, is the author of the 1978 mega best seller, **How to Prosper During the Coming Bad Years**, which is still the biggest-selling financial book in history, with 2.6 million copies in print.

He is founder and editor of **The Ruff Times** financial newsletter. Learn more at www.rufftimes.com.

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