Hope for the Best, Prepare for the Worst
Protecting Yourself Against Economic Collapse
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Why Prepare?
Why Prepare?

There is any number of things that could contribute to economic catastrophe. We’ve witnessed this to a small degree in the last decade with what’s called the recession.

We’ve been told everything is in hand, not to worry; the “recovery” is coming along nicely. But it doesn’t take much research to understand the danger of the steps being taken by those in authority at the national level. We’ve heard “shovel ready jobs”, seen quantitative easing, and so forth.

I’d say the American economy has managed to continue a slow uphill limp despite all this government “help”. Because all that’s really happening is more spending by the federal government, and the Federal Reserve has continued to pump dollar bills into the national economy. If you think this is bad, you are right. But why is it bad?

Let’s start with money. It doesn’t exist. That’s right, money is a construct of society. Money as we know it today, in and of itself, has no value; it is merely how we delineate goods or services. You receive money from someone else because you provide a product or service they want. They have that money to give to you, because they previously provided something of value for someone else, and so on. Think of it as a records keeping system of peoples’ service to one another.
Now, goods or items themselves carry intrinsic worth. This can be anything from a piece of precious metal (valuable because it’s in demand by many people for many things, and there’s not a lot of it on the planet) to a sack of rice (valuable to anyone who wants to eat some rice, but not as many people eat rice, and there’s a lot of rice on the planet).

Money is a more convenient way to trade value than actual material goods. But if money exists without any originating item or service of value, it’s fake. Pretty soon your economy pretends to be worth “x” number of dollars, but it’s really not.

The point is, money is a byproduct of a healthy economy. That’s why the puppeteers at the helm will not be successful in fixing things by saying: “See? There is so much money! Things are well!”

So, as the ship continues in this direction, we can expect certain things. We can expect continued inflation, where our dollar buys less and less. We can expect the federal machine to continue borrowing and spending funds far faster than the revenue system can stay abreast of. We can expect at least some increase in taxes as a means to keep up with spending, because the federal machine won’t stop spending.

We can also expect some form of attempts to correct the problem, which will either be more of the same failing policies, or actual corrective measures that will reset the dollar and therefore reset how the economy currently relates to it.
In the case of the former, we could see higher taxes imposed, and global lenders deciding the risk of loaning us money is too great, and cease doing so. In the case of the latter we would experience a painful but needed adjustment of what the dollar is really worth compared to what we’ve been buying with it.

The scenarios are many, and the real threat of economic trouble is real. Whether that means some people losing their investments and jobs, or the entire nation reeling from another depression or even worse, it makes sense to be prepared.
CHAPTER TWO

How Do You Prepare?
How Do You Prepare?

Being prepared for an economic collapse essentially means equipping yourself to live in the absence of our current monetary system. Without our current system, you won’t be using money we use today to purchase things. The dollar will not have the value needed to get you anything necessary for living, if you have any dollars to begin with.

Your needs for survival will be the same, such as shelter, water, food, medical, and security, but how you obtain or ensure these things will be much different.

Because upheaval of any kind can disrupt the normal production and distribution of goods, many or most things may not even be available. What is available will be had at a hefty price. This is why you don’t want to be in a position where you need to buy these necessities "post event" in the first place.
What You Need vs. What You Think You Need
What You Need vs. What You Think You Need

Before you ask yourself what you need to do to safeguard yourself against economic upheaval, you should consider an important aspect. If you believe you’ll be able to maintain your current standard of living post event, you need to readjust this mindset.

If such an event were to occur, the duration would be unknown. You will need to make your supplies last, and this requires frugality, but also quantity to begin with.

For example, you could purchase twenty pounds of beans for fifteen dollars, which can make roughly ten to fifteen meals for several people. Or, you could buy three or four freeze dried entrees that are closer to what you are used to eating. Which is a more realistic, prudent choice? I would suggest whatever stretches your preparation budget the furthest and still provides for the given need is best. Would you rather eat tasty, ready-made entrees for a year, or beans for three years? Is it important to have food for three years, or just to have tasty, easy food?

Readjust your expectations to match what you are preparing for.
Protect Your Assets: Convert Them
Protect Your Assets: Convert Them

Having a stack of $100 bills is not what you want in a major financial disaster. You want to use those funds to purchase necessary items with specific, intrinsic value, while your money still has as much buying power as possible.

As you would guess, this does two things: it provides for the needs of you and your family, and ensures you have something worthwhile to show for the money you’ve earned. As the dollar loses value, real goods will rise in price.

What about savings and retirement? While it may not be realistic to convert the entirety of one’s life savings to tangible items like gold and silver, you should consider a multi-faceted approach. Keep in mind that your purpose in converting cash to physical precious metal is a plan to ensure you actually have a commodity that is worth something in the absence of the current monetary system.

Therefore, we’re not necessarily concerned with “the price of gold” as it skyrockets to several thousand dollars an ounce, or drops to far less, as the case may be. If you were concerned with making profits while investing in the current market, you would sell your gold at a higher price than what you bought it for, and receive “money” in return.

But that’s all based on the dollar, which is what we’re preparing to detach from in the event of a collapse. Precious metal will still have value; it can be delineated into tradable amounts, and this absent the existence of the dollar.
What Do I Buy?
What Do I Buy?

Though you will have to readjust your expectations of reality, your basic needs won’t change. Your family will still need a warm place to live and sleep, clean water to drink, nourishing food to eat, medical and medicinal attention, and protection. You will be responsible for these things.

**Shelter**

If you have a house, keep it unless you live in an area that would be untenable in a major crisis. If this is the case, move now or as soon as possible. You do not want to be relocating during a major crisis. “Bugging out” is a last resort and should only be considered after all other options are exhausted.

Second, have a plan B. If your house was destroyed by fire, flood or some other thing forced you to relocate, where would you live? Are you going to build from scratch in the wilderness? You must have the skills and tools on hand to do this before you need them.
**Water**

Storing water is fine, but this is limited. You must have a dependable, long-term means of procuring and purifying water for drinking, cooking, and hygiene. If there is running water near your dwelling, half your problem is solved. You only need a way to transport it and clean it. It is best to have more than one method available to do this. For example, if you have a water filter and it breaks, you may have to boil water to make it useable. Make sure you have the equipment and heating fuel to make this happen.

**Food**

You should work towards getting at least 1 year of food storage put up for every member of your family. One good way to do that is to stock up on rice, beans, wheat and corn that's sealed in mylar bags and stored in 5 gallon buckets. There's a number of ways to build and store a year supply of food but as we talked about earlier, focus on what you need first. Rice, beans, wheat and corn will provide the necessary calories. Get that, and then work on "bonus" food that will make it easier to stomach the same meals for a year. Spices will be your best friends if you have to dip into your long-term food storage.

Storing large quantities of food is feasible, but for long-term sustainability you need renewable food sources. This will take the form of a vegetable garden, livestock, and possibly foraging and hunting, depending on your location. You need to have seeds to plant with, garden tools, and practical knowledge of how to successfully raise food. Livestock also requires know-how and tools. These are things you should learn before you need them to stay alive.
**Medicine**

Injury and sickness happen. You should learn as much as you can about treating patients for a variety of ailments. From lacerations and hemorrhaging to viruses and disease, skills to handle these could be the difference between life and death. You’ll need a stockpile of medical supplies and medicines that are easily acquired right now, but won’t be post event. Knowledge of medicinal herbs and plants can be useful as well.

**Protection**

You won’t be able to count on emergency services and law enforcement like we do today. If there is still functioning agencies, the demand for services will likely be far beyond what they can handle, if you are able to contact them in the first place. You’ll need skills to handle possible confrontations with ill meaning people, and the tools to give you an edge. Self and home defense and firearms employment training could mean the difference between saving your food and water supply, or finding yourself destitute or worse.
CHAPTER SIX

Collaboration: Ease The Burden
To say all those things is a tall order would be an understatement. The vast array of skills and equipment necessary to operate in a self-sufficient manner can be daunting. We take for granted so many things; we don’t realize how much we rely on others for day-to-day living.

One way to help you reach the level of skill necessary to live post event is to do so collectively. If you have or can develop a close group of like-minded, dependable friends you can trust, the task can be divided into more manageable portions.

Also, it is likely your group already has a diversification of skill or background. A nurse is the obvious person to take on the task of creating an inventory of needed medical supplies, providing basic medical training to other members, etc. A building contractor can provide input on what sort of tools and supplies should be purchased for shelter maintenance or construction of livestock accommodations. Organic gardeners understand what is necessary to grow food independent of modern commercial methods.

Being part of a well-trained and unified group is essential to survival in a world without rule of law.
CHAPTER SEVEN

Trading And Bartering
While you want to reduce the need to acquire goods as much as possible, there will be items you will have to buy at some point. It is likely you will have to trade for what you need. This is when gold or silver can come into play.

Knowing what a certain item is worth in relation to a certain quantity of silver, for example, will be important. It’s impossible to know this ahead of time, but it won’t be based on the dollar. Instead, you can expect a more primitive form of value comparison. An ounce of silver may be worth twenty laying hens, or one hundred pounds of seed corn. Or maybe an ounce of silver will only buy you three hens and an old garden hoe. There’s no way to know, but it will likely vary greatly between different items or goods, and will be directly linked to supply and demand on a localized level.

Since we can’t know for certain the climate of trade post event, there are a couple things you should do to be prepared to adapt as necessary. One is to have tradable amounts of valuables. If you keep gold for trading needs, it would be prudent to get it in small denominations, such as one-tenth ounce pieces. Silver should mostly be in one-ounce pieces.
The reason for this is simple. Because we don’t know what the value of precious metals will be in relation to other goods (or services), you don’t want to be stuck with only one-ounce gold pieces that could buy a whole beef steer, when there isn’t a whole beef steer to buy. You would be forced to accept a lower value for your ounce of gold (like the twenty laying hens), or retain it and not get your needed item. There is the possibility of dividing coin, but that will bring up problems with proving the quantity of the divided piece. This would make it harder to use in other situations and thereby lower its original value.

Another way to prepare for a bartering economy is to stock highly tradable items other than precious metals. These will normally be things currently used in high quantities today, which are currently readily available, are non-renewable, and would be difficult to duplicate post event. Some ideas are bar soap, razors, feminine products, bath tissue, cigarettes, chewing tobacco, liquor, coffee, candy, ammunition, cleaning products, matches, and lighters.
First Steps
First Steps

An economic catastrophe could be anything from another “recession” to the obliteration of society as we know it. Preparation will be good in any case. But where does that preparation start? What about your current responsibilities, job, debts? In a sense you have to stand with a foot in both worlds, at least as long as necessary.

If you have debt, you’ll need to work on getting it paid off. Those debts can be a big liability in any financial crisis less than total collapse. Alongside this, you will need to budget a certain amount of income towards preparation.

Prioritize your expenditures, tackle necessities first, and take pride in your progress. Understanding the threat puts you further ahead than the vast number of people in the country today. As Stephen King said, "There's no harm in hoping for the best, as long as you're prepared for the worst."
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