Workshop Brochure

Creating Wealth From The National Debt & Social Security Challenges

Chicago/Naperville, IL
April 28-29, 2018

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Workshop, Chicago / Naperville Marriott

Naperville, IL, April 28-29, 2018

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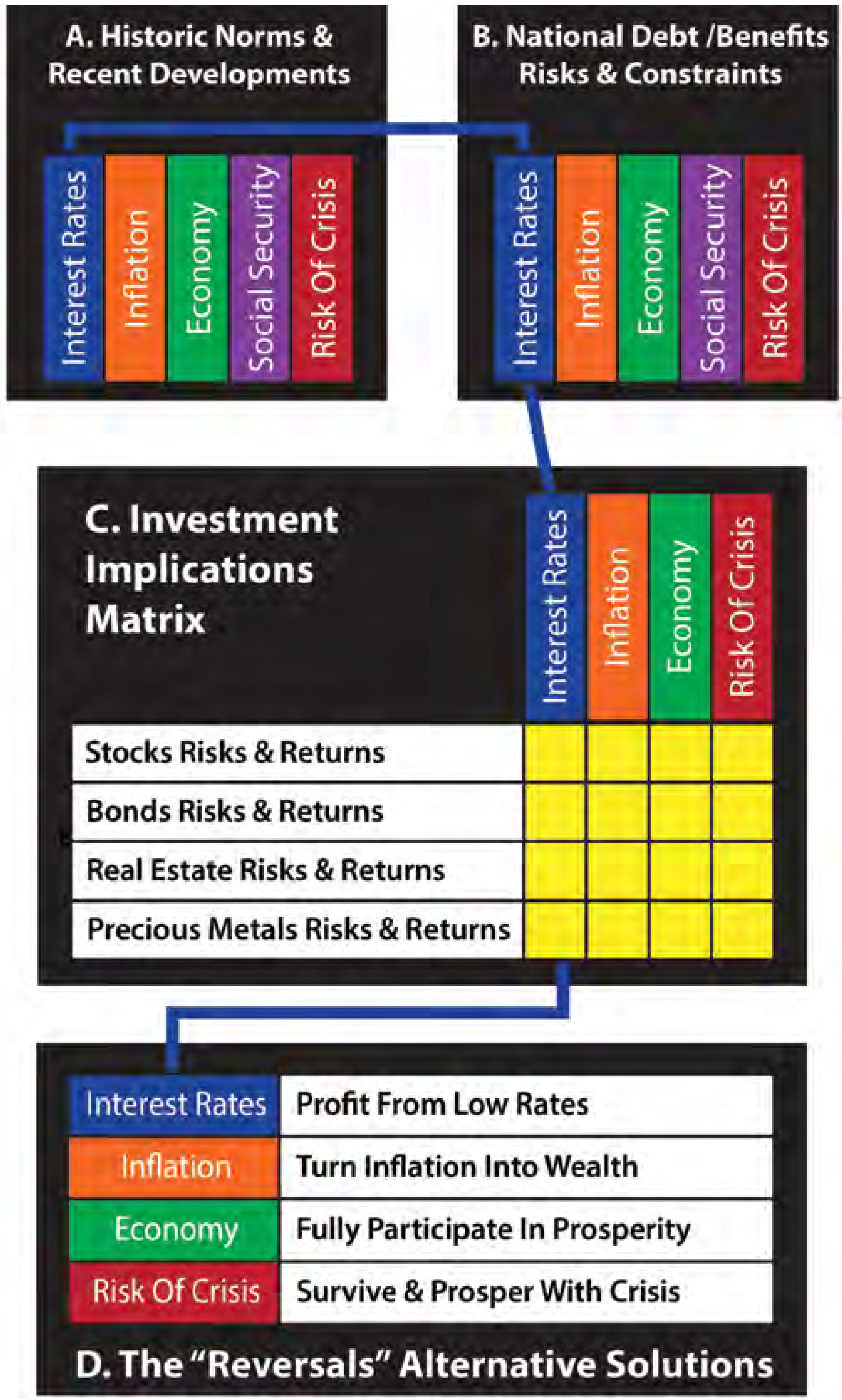
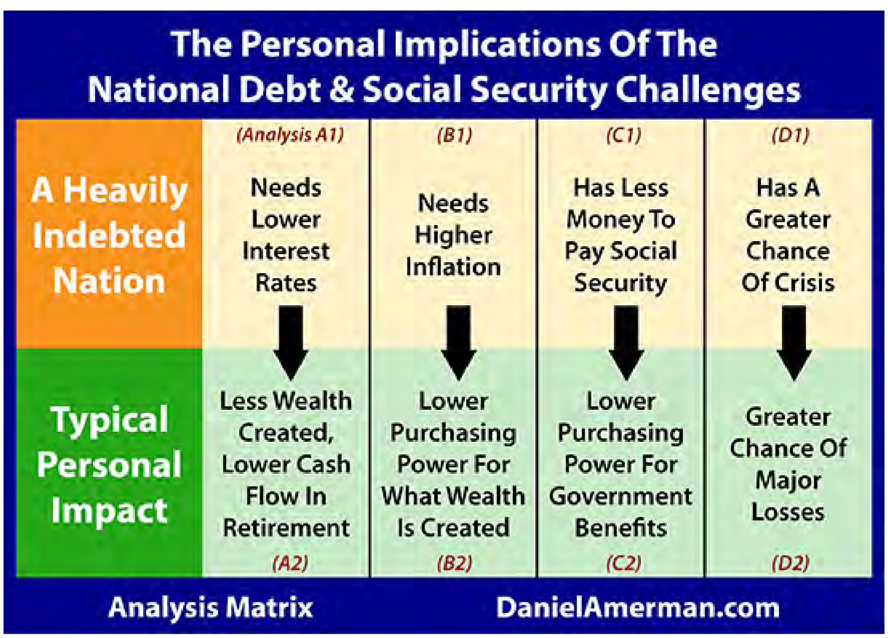


Workshop Overview & Goals

The premise of the workshop is that the future for long-term and retirement investing will not be like the past. The national debt is over $20 trillion. This debt is expected to rapidly grow as part of paying for the Social Security and Medicare programs, the expenses of which are expected to increase by what will eventually be trillions of dollars per year.

Interest rates, inflation, the purchasing power of benefits and the potential for crisis will all be strongly impacted by what is coming. This is likely to change the very foundations of retirement and other long-term financial planning, and is also likely to change future performance in every major investment category including stocks, bonds, real estate and precious metals.

There are an extensive number of free resources on the website which explore these issues, indeed there is the equivalent of several books of available information.



The basic issues are that heavily indebted nations have very strong financial incentives to create lower interest rates, higher rates of inflation, and lower purchasing power for retirement benefits. While it is not the only possible outcome, they also do have a greater chance of crisis at some point, all else being equal.

The lower interest rates can cripple the building of wealth and slash cash flows in retirement. Higher inflation can reduce the purchasing power of whatever wealth is created. This can occur even while a reduction in the purchasing power of Social Security net of Medicare premiums over time can increase the need for purchasing power from savings. There is also the issue of what another and perhaps larger round of crisis would do to an investment portfolio.

Analyses exploring all eight of the cells of the matrix above are linked here:

http://danielamerman.com/va/AnalysisMatrix.html

A series of analyses that focuses on interest rates and inflation for individuals and the nation is linked here:

http://danielamerman.com/va/macro/RatesSeries.html

A series of analyses that focuses on personal Social Security decisions and Medicare premiums is linked here:

http://danielamerman.com/va/rfe/SocSecPatterns.html

A sequential series of analyses that introduce the concepts for the asset/ liability management portion of the workshop solutions is linked below. Those particular analyses do require providing an email address, and in addition to the free book, you will also receive updates and new analyses as they come out.

http://danielamerman.com/atwo.htm

The Workshop Goals

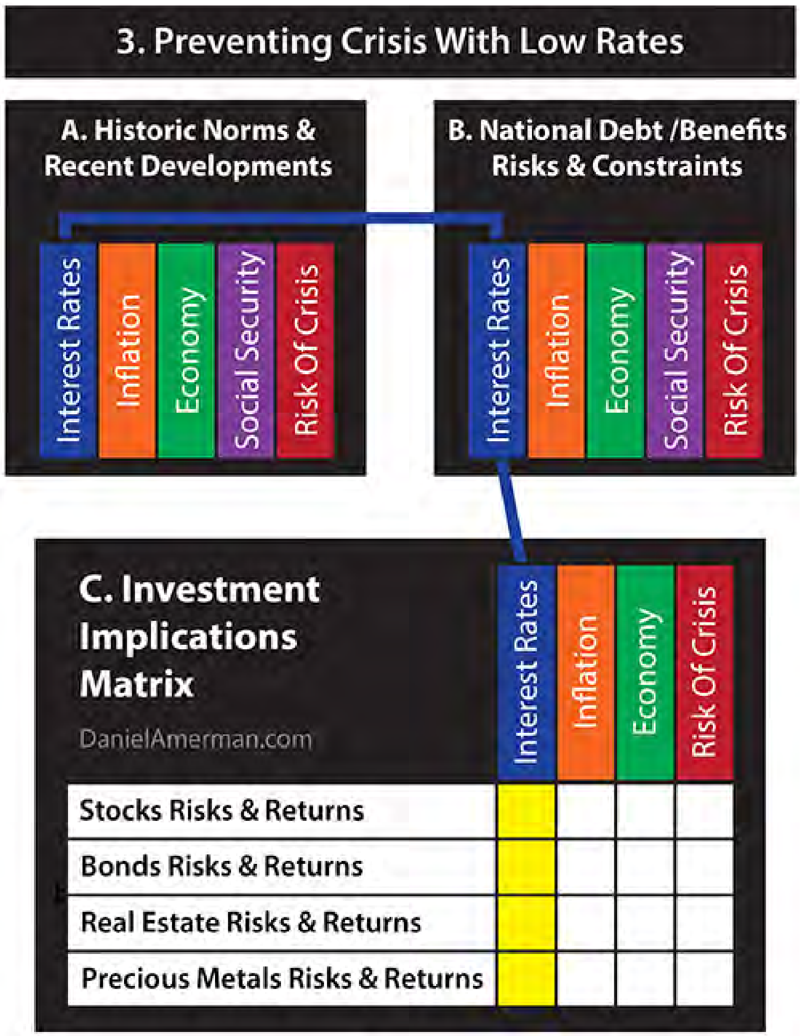
The goals of the workshop are to provide participants with:

1) A thorough and integrated understanding of how future interest rates are likely to be impacted by the national debt and benefit promises.

2) A thorough and integrated understanding of how future inflation and the value of money are likely to be impacted by the national debt and benefit promises.

3) A specific and usable understanding of how the promised benefits of Social Security and Medicare will transform government finances, when the pressure points arrive, how this can change interest rates and inflation, and how this can change personal Social Security and retirement decisions.

4) An understanding of how this all can lead to a crisis or series of crises, how the crises can be prevented or contained, and the impact of containment.



5) An understanding using the framework of the "Investment Implications Matrix" of how changing interest rates, inflation, benefits and possible crisis can potentially impact stock performance in ways that are different from what has been seen in the past.

6) An understanding of how changing interest rates, inflation, benefits and possible crisis can potentially impact bond and other fixed income investment performance in ways that are different from what has been seen in the past.

7) An understanding of how changing interest rates, inflation, benefits and possible crisis can potentially impact real estate investment performance in ways that are different from what has been seen in the past.

8) An understanding of how changing interest rates, inflation, benefits and possible crisis can potentially impact precious metals investment performance in ways that are different from what has been seen in the past.

9) An understanding of how changing interest rates, inflation, benefits and possible crisis will not necessarily destroy wealth, but will powerfully redistribute wealth, and in many cases how this redistribution will be from those following conventional individual strategies to institutional and other sophisticated investors following quite different strategies.

10) A conceptual exploration of the alternative investment strategy of using "reversals" as shown in the graphic below.

11) An understanding of how to use asset/liability management to reverse the usual impact of low interest rates, and turn low interest rates into wealth - where the lower the interest rates, the more wealth that is created.

12) An understanding of how to use asset/liability management to reverse the usual impact of inflation and turn inflation into wealth, so that the higher the rate of inflation - the more real (inflation-adjusted) wealth that is created.

13) An understanding of how to use asset/liability management to create robust strategies that can fully participate in prosperity while still being able to turn crisis into wealth.

14) An exploration of such current topics as the Fed's increasing interest rates and the tariffs, and how they integrate with the topics of the workshop.

15) As always, workshop participants are welcome to ask questions before the workshop, and every effort will be made to integrate those questions with the workshop, so long as they are a reasonable fit that are likely to be of interest to all the participants.

More Information

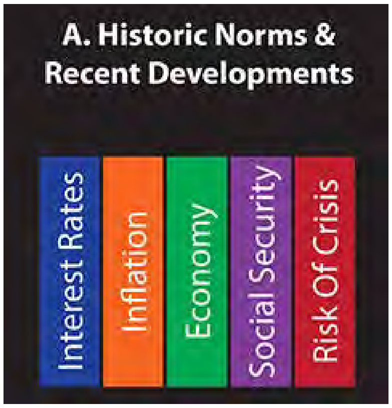
The workshop is a highly valuable resource for current and future retirees who are financially preparing for a future that - realistically - will include the challenges. The scope of the workshop goes far beyond retirement investing, however, and financial professionals as well as younger individual investors may receive the greatest benefits of all.

The examples used are real-estate based, which is the most readily available form of asset/liability management for individuals, but the implications go well beyond real estate.

Workshop participants will receive a supporting manual for the presentation. This will include a detailed outline, many hundreds of supporting graphs and financial exhibits, and supporting articles & analyses with much more detail on some of the subjects covered in the workshop.

The two day presentation will take place in a relatively small seminar room with a classroom atmosphere. The focus is on communication, and attendance will be limited so that participants can easily ask questions and engage in back and forth discussions about what is being covered.

A. Recent Developments



Our starting point for the workshop is the "A" section, where we examine and integrate what has been changing. We live in a time of rapid change, and much is happening right now that has not been seen since before the financial crisis of 2008.

Benefits payments for Social Security, Medicare and Medicaid are now for the first time larger than all other general governmental spending combined.

The Federal Reserve is raising interest rates again, at a relatively rapid rate.

The economy is growing again, employment has been surging, and wages are rising.

The tax cuts and two year (at least) increase in spending have the potential to increase economic growth -which could change everything - but they are also occurring at the same time that deficits are already being driven up by both increasing benefit spending and increasing interest rates. How does that all work together?

There is an argument to be made that the tax cuts are of lesser importance than deregulation when it comes to both economic growth - and the risk of crisis. Is the United States in a place to strip away its protections from financial system risk, and what are the issues for individual investors?

Economic growth is creating wage pressures at the same time that tariffs and other protectionist actions are increasing the costs of goods and services. We are already seeing both sides of this in the cost of new homes, with higher costs of labor and higher costs of materials rapidly sending building costs upwards. Could this spread to other industries, and how will this integrate with everything else?

The return of tariffs raises the danger of trade wars - with potentially dramatic consequences for the economy and the value of the dollar. If a trade war does get started, what are the implications for inflation, interest rates, economic growth and the changes for crisis?

The Fed's powers are monetary, and we are seeing a return of powerful, non-monetary and fundamental factors that we have not seen since before 2008. Can the Fed really just gently dial up inflation, or are some forces being unleashed that could once again leave the Federal Reserve playing catch-up, trying to control what is beyond its control?

The Fed is slowly releasing the tools it had been using to control medium term and long term interest rates to an unprecedented degree since the crisis. Could the Federal Reserve lose control of interest rates as well, and what are the implications for the economy, Social Security and Medicare, and the risk of crisis?

Arguably, we are in a time of the most fundamental change what we have seen since the first couple years after the 2008 crisis. This workshop will be a perfect opportunity to integrate, dive deep, and look at rapidly changing risks and opportunities.

As always, participant feedback before the workshop is very much encouraged, and every effort will be made to include participant requests which are likely to be of general interest.

B. National Debt / Benefits Risks & Constraints

The most intuitive way to understand the "B"section is to review the detailed example in the "C" section that follows.

The example is quite limited, in that it addresses only interest rates, and it is not a comprehensive look at the relationships between interest rates and the risks and constraints imposed by the national debt and benefits.

The workshop takes a much more comprehensive view not just at more interest rate considerations, but also the equally important factors of inflation, the economy, Social Security and Medicare promises, and the risks of crisis

The starting point is a 2018 macroeconomic model which integrates the United States economy and national debt with the expected future costs of Social Security, Medicare and Medicaid. It allows the holistic modeling of various combinations of 1) interest rates, 2) inflation, 3) benefit indexing, 4) economic growth, 5) tax and 6) government spending scenarios, and shows the implications for the nation as a whole - as well as the direct personal impact upon savers and beneficiaries over a 30 year time period. More information on this model is linked here:

http://danielamerman.com/va/MatrixMethod.html

The macroeconomic model is not designed for economists or politicians -

but for individual financial education. It is highly visual and designed to be viewed and discussed on the screen, with the supporting numbers all there as needed in the supporting manuals.

The workshop is conceptual - there is no need to personally do any math or run any calculations. Everything will be presented in a form where you never need to even open one of the manuals. Attendees can just listen to the presentation, look at the screen, ask questions and participate in the discussion. There is no need for any formal training or professional background in finance or economics.

C. Investment Implications Matrix (Example)

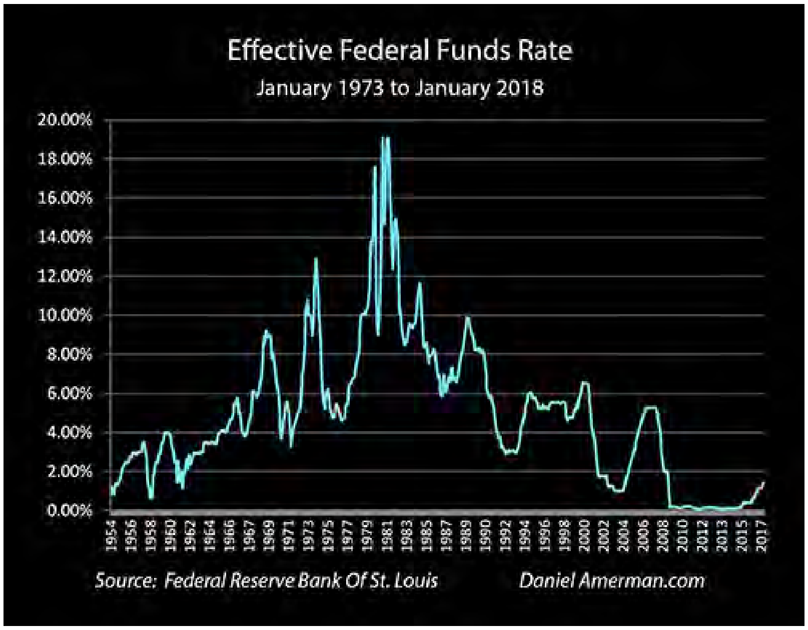
The purpose of the Investment Implications Matrix is to provide a useful analytical framework for how to make better financial and investment decisions which practically include the $20 trillion U.S. national debt and the coming multitrillion dollar growth of the Social Security and Medicare programs.

This analysis is part of a series of analyses that are linked here, which examine the extraordinary impact of the national debt and benefit promises when it comes to such basic financial and economic areas as interest rates, inflation, making better Social Security decisions, and the future chances of financial crisis. While national factors are crucial, the focus of the Investment Implications Matrix is to help individuals make better personal decisions.

This particular analysis focuses on interest rates by themselves and for reasons of brevity it does not repeat the previous analyses. Links are provided if you have any questions about those analysis.

Separation & "Normality"

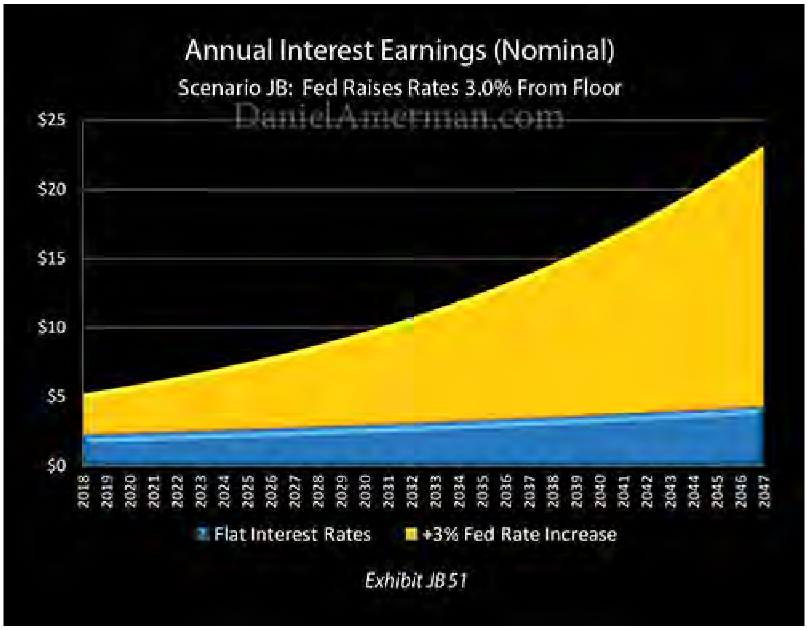
The United States is currently in the midst of its first increasing interest rate cycle since before the financial crisis of 2008.



As can be seen above, after many years of the lowest interest rates in financial history, interest rates are rising again. If the Federal Reserve carries through with its current expectations as reflected in the "dot plot" (as of the writing of this analysis), rates could go up by a total of 3% between 2015 and 2020.

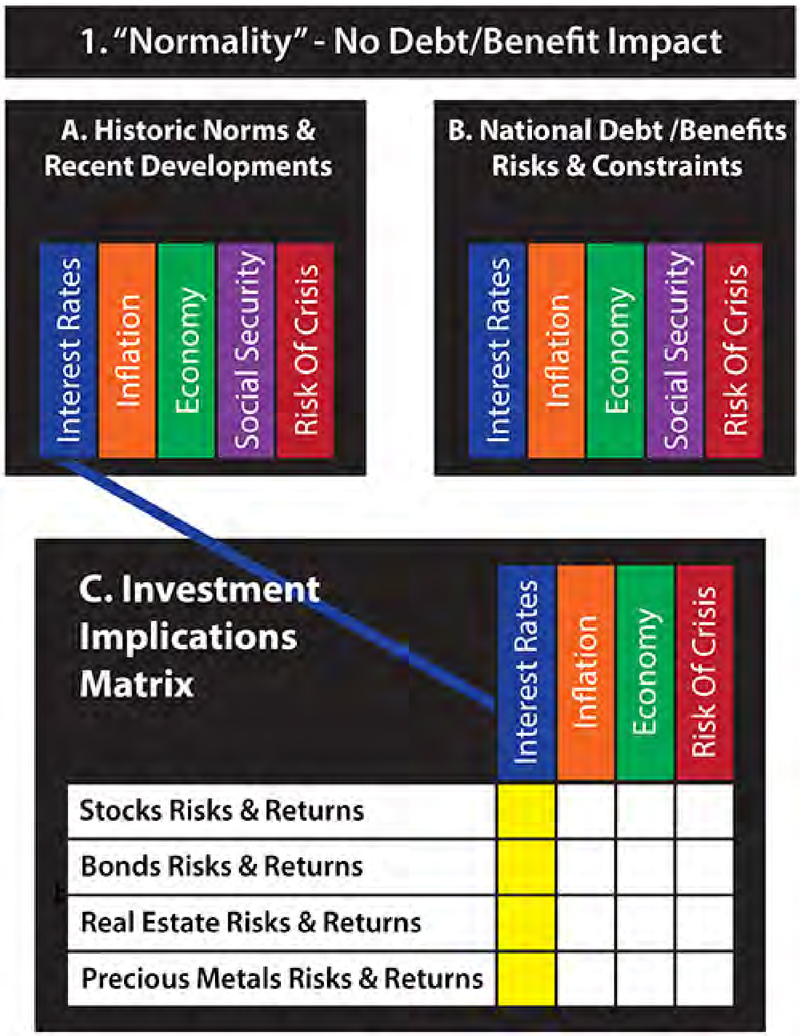
As explored in the analysis linked below, "The Wealth Machine That Rising Interest Rates Create & The Conflict With The National Debt", such a situation could have extraordinarily positive implications for savers and those invest in such instruments as bonds and certificates of deposit.

http://danielamerman.com/va/macro/Conflict2.html



After an absence of many years, there would be a return of the wealth building machine of compound interest that used to exist, but hasn't in recent years. As explained in the linked analysis, the blue area shows interest earning that are low and barely growing, as has been experienced by the nation in the years since 2008.

A 3% increase in interest rates creates the gold area which shows a fast climb in interest on interest earnings, that can create financial magic when given enough time to work. This could be truly life changing for many millions of people, as they build far more wealth with their retirement and other long-term savings, and are therefore able to enjoy substantially higher financial security and quality of life in retirement - as a direct result of the increase in interest rates.



These life-changing implications are shown in the graphic above, by the blue Interest Rates box in the "A. Historic Norms & Recent Developments" section directly connecting via the blue line to the blue Interest Rates box of the "C. Investment Implications Matrix" section. What we just went over was a quick overview of the yellow matrix cell where "Interest Rates" intersects with "Bond Risks & Returns".

It needs to be carefully noted however, that a change in interest rates impacts far more than just savers and bonds however. As a very quick overview, let us briefly consider the other yellow cells.

Many experts believe that stock market performance in recent years has been strongly impacted by the extremely low interest rates. So a change in interest rates can over time be expected to potentially change "Stocks Risks & Returns" in a major way, and possibly reduce price levels beneath where they otherwise would be.

Whether we are looking at individual residences, rental properties or REITs, historically low mortgage interest rates have been an essential part of determining value and price levels. A substantial increase in mortgage interest rates would likely change affordability, cash flows - and therefore prices - in almost every part of the real estate ownership and investment world.

There are many factors driving precious metals prices, but one of them is opportunity costs. When interest rates are low, the foregone interest earnings involved with owning an asset that does not pay a cash return are of lesser importance. Increasing interest rates increase the opportunity cost of not earning a cash return, and can therefore drive precious metals prices downwards, all else being equal.

Again, each of the implications above are very quick and superficial overviews - a single paragraph can't give each implication the much deeper analytical exploration which it deserves.

A takeaway is that every major investment category is likely to be strongly impacted by a major and sustained increase in interest rates. Whether one is investing in bonds, stocks, real estate or precious metals - if the Fed carries through with raising interests by 3%, and that increase is sustained, then there is likely to be a major impact on financial performance in each investment category.

This impact is likely to be highly uneven - benefiting some categories and hurting others. So in coming up with a long-term financial plan which may involve allocations among the investment categories as well as more specific investment choices - an informed understanding of what is likely or unlikely for future interest rates can be of critical importance when it comes to the actual investment results over time.

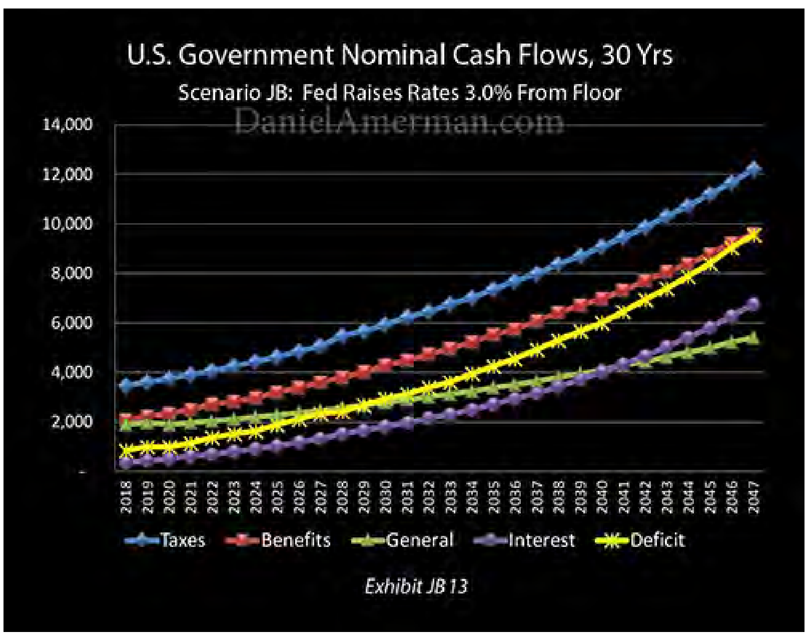
There is a critical assumption underlying all the discussion above - that the financial condition of the United States government can be completely ignored when looking at future interest rates. This could be called the historic norm, in terms of how investments have been traditionally evaluated. That historic norm is however based on a government that used to be far less in debt, and was not on the verge of having Social Security and Medicare payments climb by totals that will reach trillions of dollars per year.

Could those factors change future interest rates - and thereby potentially change the Investment Implications Matrix and future performance in all categories?

Integration & The Risk Of Crisis

The analysis linked below, "The Potential $54 Trillion Cost Of The Fed's Planned Interest Rate Increases", uses a detailed macroeconomic model to explore the changes in federal government annual deficits and the total national debt that would occur solely as the result of the Federal Reserve increasing interest rates by 3% and (on average) leaving them there over the next 30 years.

http://danielamerman.com/va/macro/RateRise.html



As developed in that analysis, the weighted average life of the federal debt would prevent a major near term impact, but over time the purple line of interest payments on the national debt would soar upwards, as the Fed's rate increase would eventually create a compound interest problem for the United States, with ever more money being borrowed at higher interest rates, in order to make the higher interest payments.

Over time, this increase in interest payments would drive the yellow line of annual deficits steeply upwards, at a far faster pace than deficits would rise with lower interest rates.

In nominal terms (not including inflation), deficits would reach about $1 trillion per year by 2019, $2.1 trillion per year by 2026, $3.1 trillion by 2031, $4.3 trillion by 2035, $5.3 trillion by 2038, $6.0 trillion by 2040, $7.4 trillion by 2043, $8.4 trillion by 2045, and $9.4 trillion per year by 2047.

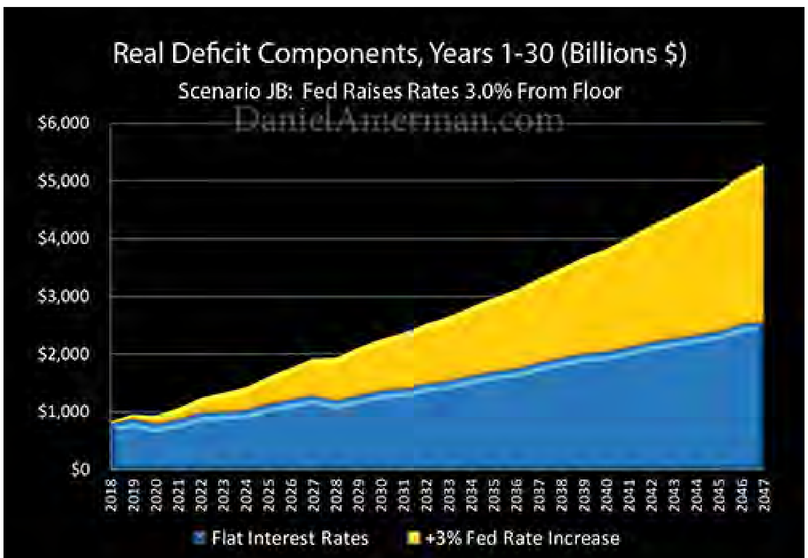


Exhibit JB41

The blue area in the graph above shows future real (inflation-adjusted) deficits if interest rates were to remain at post-crisis lows, and while the deficits do grow over time as a result of the increasingly expensive Social Security and Medicare programs, the annual rate of growth is restrained.

If however, compounding interest payments for a heavily indebted nation are added on top of the growth in benefit payments, then we get the gold area of the graph and annual deficits over time that are much larger, and are increasing in size at a much greater rate.

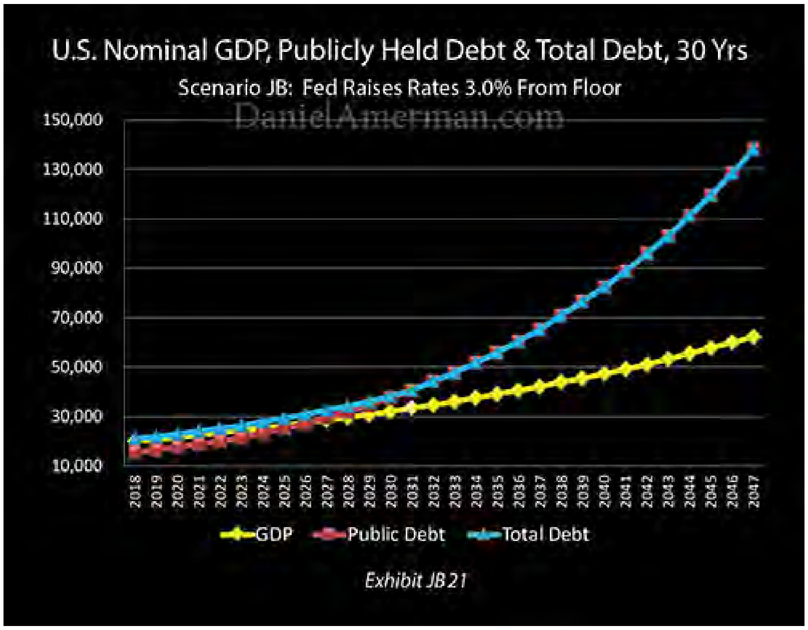


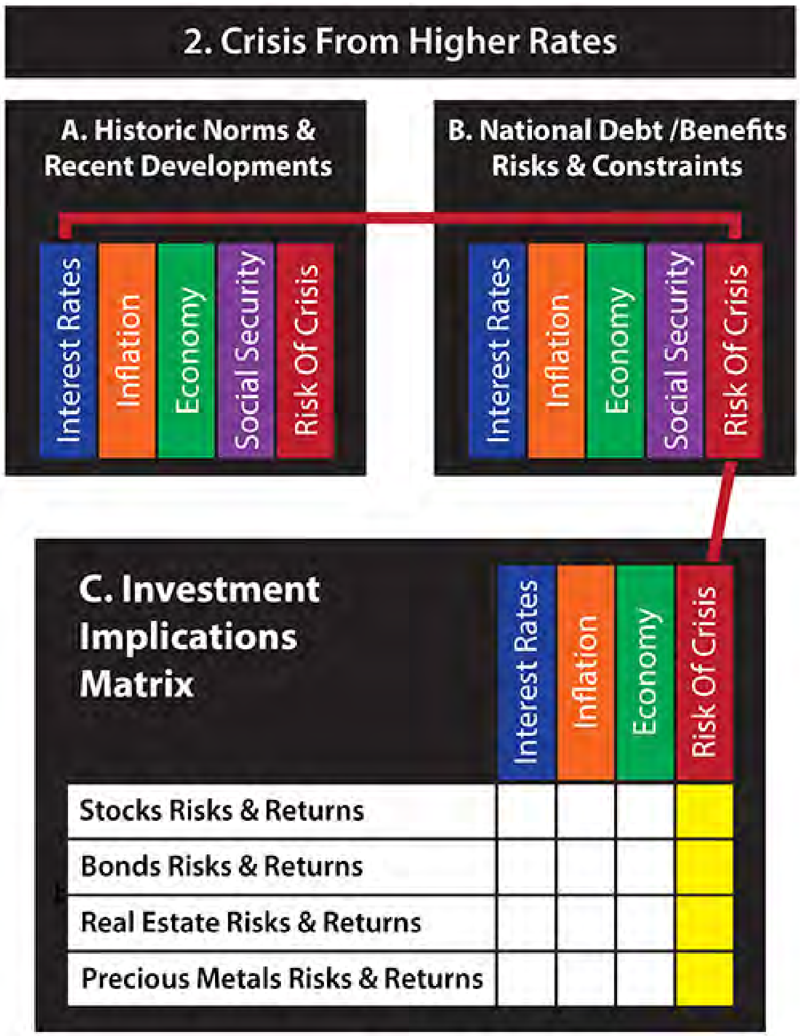
Exhibit JB21

Over thirty years, these soaring annual deficits would produce a $138 billion national debt - which is an increase of $54 trillion over what the debt would be with lower interest rates.

The $138 billion number assumes, however, that stability can be maintained for that period of time. And if we look at a nation that is not even remotely close to being able to make the interest payments on its own debt without borrowing that money, and where annual deficits are exceeding general governmental spending by the year 2029 - there is a very good chance that the future could be one of financial crisis instead. Indeed, each year that the financial pressure grows ever greater, then the risk of financial crisis would also be increasing.

The Investment Implications Of Integration & The Risk Of Crisis

What happens to the Investment Implications Matrix when we look at a major and sustained increase in interest rates and we now include the starting national debt and the costs of Social Security can be seen in the graphic below.



We still start in the "A" section with the blue box of Interest Rates, and explore what happens if the Fed increases interest rates by 3% and keeps them there - but we don't go straight to the investment implications. Instead we take a side trip through reality, follow the top red line, and go to the "B" section of taking into consideration the risks and constraints associated with the national debt and future benefits promises.

When we do that - we see that the likely investment outcome may be something entirely different than just sustained higher rates. Instead, the outcome may be ever increasing chances of another major financial crisis, perhaps even larger than what was seen in 2008.

This opens up a new avenue into the "C" section of the Investment Implications Matrix, and we follow the red line down to the Risk Of Crisis box - and four quite different yellow matrix cells.

For stocks, we are now looking at what happens when an elevated stock market runs into deep financial crisis - and the results could be a plunge. For all the retirement investors who have been dodging low rates by investing heavily in a rapidly rising stock market - this could be personally catastrophic. This is particularly true when we take into account sequence risk, and a potential inability to recover from an eventual return to historic norms within a retiree's remaining lifespan.

For bonds it would depend on whether the crisis can be contained by central banking actions or truly goes out of control, but either an annihilation of prices in a crisis, or the possibility of negative interest rates (or both in either sequence), would produce entirely different outcomes than the return of the reliable building of wealth through compound interest.

Real estate could see another plunge in prices, with houses and investments going "underwater" across the nation, and being further impacted by a potential radical increase - or decrease - in mortgage rates a result of crisis.

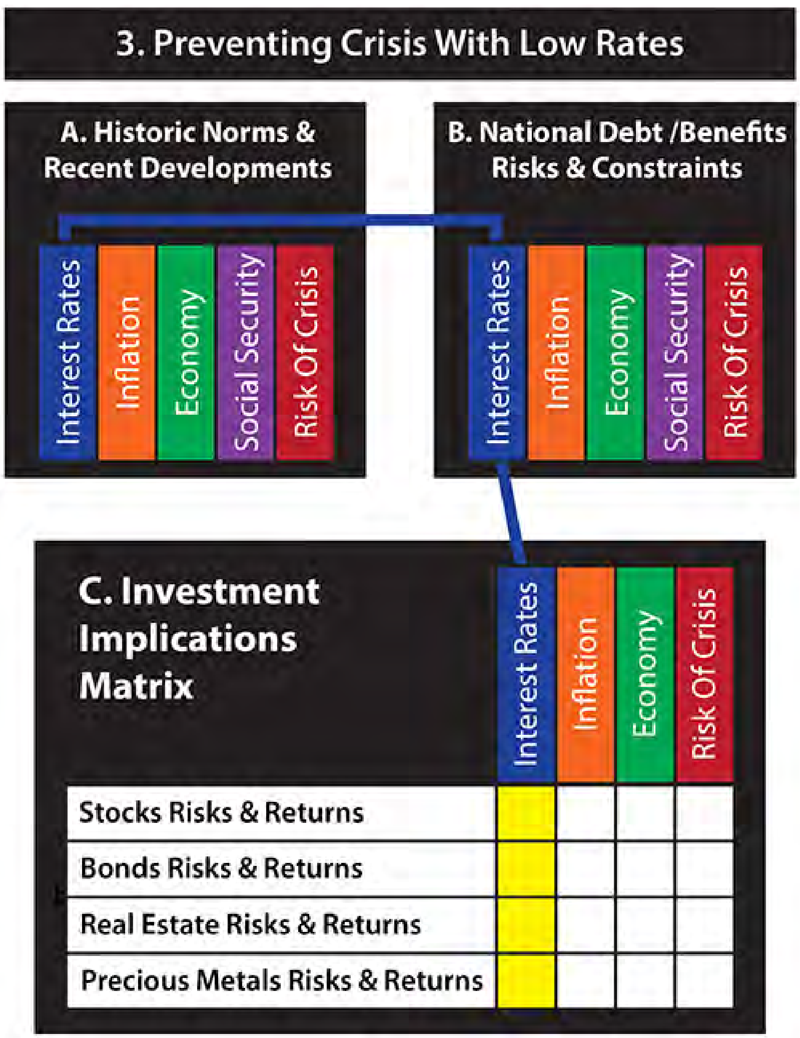
For precious metals - this is exactly the kind of reason for why people buy precious metals. It could be a lucratively profitable vindication of long held personal beliefs about deficits, the national debt, and the financial direction of the nation.

Again the preceding one paragraph descriptions are grossly inadequate for fully exploring those four yellow matrix cells, but what they do show is entirely different outcomes for every major investment category - depending on whether or not we take the national debt and benefit promises into account.

The Investment Implications Of Preventing Crisis With Low Rates

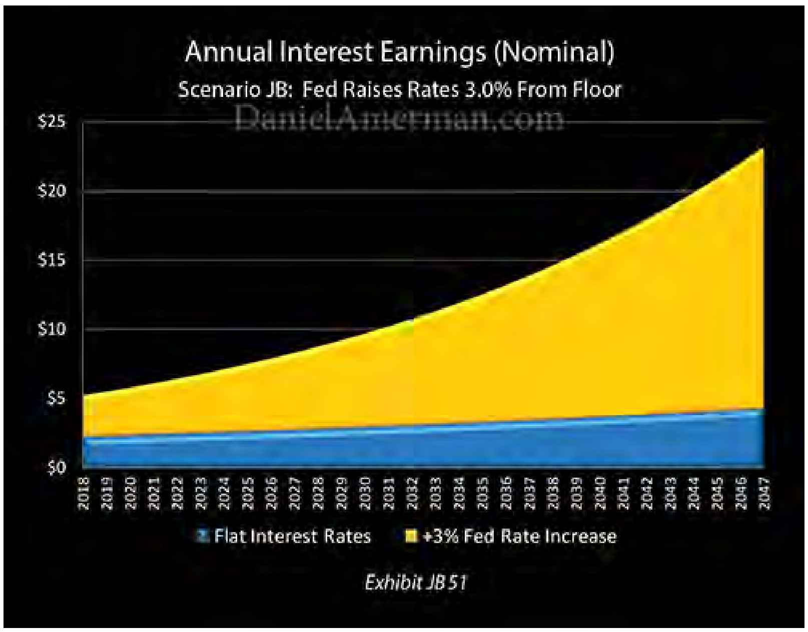
That said, the national debt and future benefits promises could have a quite different relationship with future interest rates. It could very well be that if paying more normal interest rates on a rapidly rising national debt causes major financial problems for the federal government even as Social Security and Medicare payments continue to rise - the government may be driven to take actions to prevent crisis.

One of the most effective actions the government could take in that situation would be to lower interest rates back down again, to far below historically normal levels. In other words, rates can go up for a while to being closer to what they were historically, but the influence of the national debt and benefit promises is to necessarily drive them back down again in order to avoid crisis.



This path is shown in the top blue line above, where the line no longer leads from the "A" section of historic norms & recent developments to the red box of Risk Of Crisis in the "B" section - but to the blue box of Interest Rates. Taking the debt and benefit promises into account means that rates have to go back down again in the future.

There is a new path, the blue line, from the risks & constraints box down to the Investment Implications Matrix, and while they are in the same locations, the contents of the yellow matrix cells are quite different than what they were with our first scenario.



The magic of compound interest is now gone for potentially a very long time, and all savers and interest rate based investors see a massive loss in future income, as the gold area of compound interest is compressed down to the blue area of almost no interest income. Perhaps for a generation or more, one of the primary drivers of wealth creation is simply no longer available.

That said and keeping in mind that bond price movements are the inverse of bond yield movements - we could see a "whipsaw" effect where a long bear market in bonds is eventually followed by another sustained bull market, as the government's existential need for lower interest rates pushes bond prices back up into record or near record levels.

Increasing rates followed by decreasing rates could have a similar and powerful "whipsaw" effect in the real estate ownership and investment areas, where bargain prices are created in the short term by rising mortgage rates, only to be driven back up with major capital and cash flow gains as interest rates are pushed down on the other side to maintain governmental financial solvency.

There could be a reverse "whipsaw" effect with precious metals, where rising expectations of crisis create a powerful new bull market, that ultimately begins another long fall as the perceived certainty of crisis recedes with lower interest rates.

When we look at stocks, the return to historically abnormal low interest rates may mean that stock prices never do return to the "normal" levels associated with normal interest rates. Instead they may be in a new long-term "normal", with perhaps higher prices, lower dividend yields and lower total returns than simple historic averages would lead one to expect.

Using The Investment Implications Matrix

The norm is to treat the national debt, deficits and future total Social Security and Medicare payments as being purely political issues, rather than financial planning issues. This perspective is deeply ingrained in many people, and they can have trouble seeing the issues in other terms.

With some previous analyses in this series, I have received some intense feedback - but it often was not about the financial subject matter. Instead, people understandably vent about what are often their deeply held beliefs about how national politics and politicians need to change.

Now, I personally wholeheartedly agree about the need for change - but I don't know how you or I as individuals can practically do anything about it.

The problem with viewing these issues as purely political is that we risk focusing entirely on something that we individually do not have any control over, while missing the potentially life changing implications for something we do have individual control over - which is our personal financial decisions.

In the #1 analysis herein, we took the usual approach and completely ignored the financial constraints on the United States government. Instead - and this is the norm for the financial media and many commentators - we looked what happens if the actions of the Fed take us back to more "normal" times. This has enormous financial implications for performance in each of the four major investment asset categories, as well as the asset allocation decisions for how much to invest in each category.

In the #2 analysis, we asked a simple question that is a tad complex to answer - what does a 3% increase in interest rates by itself do to the future deficits and debts of the United States government, all else being equal? The answer on a national basis is eventual financial catastrophe - in the somewhat unlikely event we ever reach that point - and an ever growing risk of financial crisis as the pressure builds in each year before then.

The next step was the most important - we used the Investment Implications Matrix to move from the national to the personal in all four of the major investment categories.

When we do this, we can see that the national is indeed the personal, and the risks and constraints posed by the national debt and benefit promises is enough to completely transform our personal outcomes in each category. The past is gone, we can't go back there from here, not without the debt and benefit promises changing. And if the past can't come back, but we invest on the assumption that it will anyway - the personal financial penalties could be severe.

Because we have entirely different personal outcomes in each category, we therefore have major financial incentives to change our asset allocations between the categories. This has the potential of entirely changing our financial outcomes, as well as our future standard of living and financial security. It simply doesn't get more personal than that.

In the #3 analysis, we looked at what happens if the government decides to avoid crisis. As my long-time readers know, this is the possibility that I have primarily focused on for many years now, and it is also - until recently - the path that the government has traveled in practice.

When we move from "B", the government containing crisis, to "C", the Investment Implications Matrix, from the national to the personal, then we again get a complete transformation of personal outcomes in each category. Which then changes our asset allocation decisions.

This also - intriguingly - opens up the potential "whipsaw" scenarios, where prices are driven down (or up) until they are necessarily driven back up (or down) in order to avoid crisis. If that is what actually occurs in practice, then understanding the Investment Implications Matrix and the intersection between the national debt and specific investment category performance could become a quite lucrative fundamental source of wealth creation in one of a variety of ways.

Reality is holistic. There is not one world where investments endlessly repeat their historical performance from previous decades, and an entirely different and isolated world where the United States government has some new and huge financial issues. Instead, our personal financial outcomes will be found in one world, where the national debt and Social Security and Medicare promises may become dominant factors for all investment asset categories.

This analysis is an example of one way of using the Investment Implications Matrix. While a simplified version it is nonetheless intended by itself to be able to provide new perspectives and useful information for readers, hopefully you have found it to be helpful.

The full version of the matrix is a key component of Daniel Amerman's financial workshops.

D. The "Reversals" Alternative Solutions

The "B" macroeconomic model directly integrates with an equally powerful "D" financial strategies model which provides solutions for the "C" analysis matrix. The assumptions of the macroeconomic model for each scenario feed into the financial model and produce the corresponding nominal and real results in cash flows, equity and yield for each investment strategy. The new generation of this combined body of work - which has been more than ten years in development - will be presented in person for the first time at the April of 2018 workshop.

For each exploration, there are 24 visual and numerical exhibits for the nation. There are 10 corresponding visual and numerical exhibits showing the impact on individual savers and retirement beneficiaries. There can also be 31 visual and numerical exhibits for the corresponding asset/liability management model which show the nominal and inflation-adjusted cash flows and returns on equity that are created by what is happening with the nation.

An introduction to these materials and how they can be used can be found in the free book. The subscription page for the free book is linked below:

http://danielamerman.com/atwo.htm

E. Finding Opportunities In Crisis

A potential new financial crisis over the next several years is not at all a certainty. It is, however, a distinct and growing possibility.

Multiple events in March and April of 2018 have increased the chances of another financial crisis over the coming months and years. These events include:

1) The Federal Reserve potentially intensifying the interest rate increase cycle;

2) the imposition of tariffs and counter-tariffs between the United States and China;

3)the recent reversal in fortunes for the large tech FAANG stocks which were responsible for so much of the increase in stock market; and

4) all of this occurring in the context of the most toxic political situation in Washington D.C. in many decades, with the potential for a political or constitutional crisis at any time.

Those four risks are all hitting at the same time, and what they are impacting is a situation that is very different than what it has been for most of the time since the financial crisis of 2008.

As covered in the analysis "The ABCs Of Popping A Third Asset Bubble" (linked below), we have seen the "movie plot line" of A-B-C-D occur in the economy and markets twice in the last 20 years, each of which has led to asset bubbles popping and widespread economic damage. For most of the time since 2008, we didn't have A-B-C in combination, so the "movie" clearly wasn't playing out again.

http://danielamerman.com/va/macro/ABCsCrisis.html

However, we now do have A-B-C together again even as the acceleration in risks is occurring, and while these in combination do not mean certain crisis

- the odds are higher than they were. This is a comparatively recent development and quite different from where we were for many years.

Red Zone Crisis vs Black Zone Crisis

If there is a crisis and we want to be prepared, there is another very important question that needs to be asked: what type of crisis will it be?

Will it be an "old-fashioned" crisis in the red zone above, with a new monetary crisis, potentially high rates of inflation, widespread defaults on the massive amounts of debt that corporations, households and governments have taken on, and a resulting plunge in the real values of investments?

Or will it be a 21st century crisis as seen in the black zone? Where vast new sums of money are created by central banks to buy assets and contain the damage, even while interest rates are pushed to their lowest levels yet? With another crippled stock market, economic stagnation and another long-term recession, that increases still further the gap between tax revenues and what has been promised for Social Security and Medicare?

Or can that strategy even work a second time? As covered in the video analysis linked below, those tools have already been used once, and many are not available to be used again. That doesn't mean it won't be another black zone kind of crisis, but the path that is followed the 2nd time around could be quite different, and impact savers and investors in different ways than the first time.

http://danielamerman.com/va/text/bailins/BailInChap3.html

The Risk

If another round of financial crisis hits it could be the single most important financial event in their lifetimes for tens of millions of people - and this likely to be particularly true for the Boomers. There are two major issues, with one being retirement benefits and the other being "sequence of returns risk" for retirement investments.

What is routinely ignored is that nobody knows with certainty the financial future of Social Security, Medicare - and government sponsored pension plans. Everything is built on assumptions about future economic growth. And if that works out differently than planned - then everything else necessarily changes as well.

The ironic part is that we just saw this "movie" happen in practice as well, and the unquestioned norm is to forget about it and pretend it never happened. The financial crisis of 2008 fundamentally reduced the future solvency of Social Security and Medicare. Looking at financial competition with the national debt by itself, a full 26 years of financial security for Social Security and Medicare were lost as a direct result of that crisis, as explored in the analysis linked below.

http://danielamerman.com/va/DebtSocialCost.html

We are currently in a much more dangerous place just because of demographics. The peak years of paying for Boomer benefits aren't here yet - but they are about to be. As explored in the economic "race" discussion in the link above, the past crisis already makes this much more difficult. If there is another recession and another decrease in economic growth rates that hits right as the peak in benefit payments is still rapidly building - the damage is worse than almost anyone is taking into account.

If benefits are reduced, that increases the need for savings and investments. However, particularly for someone within a ten year range of either side of age 65, then sequence of returns risk means that there is not the ability to recover from a major asset loss like there is for someone younger. If stock market prices fall by half, and then slowly rebuild over the next ten years, there will be a substantial reduction in financial security and lifestyle that likely will be non-recoverable over the remaining lifespan.

Identifying Red & Black Zone Investment Opportunities - Workshop Modification

Hopefully there will not be a next round of financial crisis. Indeed identifying multiple ways of preventing such an outcome - and examining the investment implications of each - will remain a key part of the upcoming workshop.

However, as past attendees know, the workshops are always intended to be current at the time they are presented. If something major occurs during the week before the presentation - every effort is made to include the event and its implications.

As a result of recent events, there will be a significant modification of the "Risk of Crisis" cells in the Investment Implications Matrix.

A "red zone" financial crisis potentially changes every aspect of financial performance across all the major categories of stocks, bonds, real estate and precious metals.

A "black zone" financial crisis also potentially changes every aspect of financial performance across all four major investment categories.

However, there is a fundamental problem - the two types of crisis can sometimes produce investment results that are the direct opposite of each other.

At the workshop, we will "war game" possible asset price changes for a red zone crisis, including timing and sequence, trying to identify some of the best potential opportunities.

We will "war game" possible asset price changes for a black zone crisis, including timing and sequence, trying to identify some of the best potential opportunities.

We will carefully consider possible asset prices, sequences, and opportunities if a red zone crisis develops, but is ultimately contained within a black zone crisis.

We will carefully consider possible asset prices, sequences, and opportunities if containment is attempted in a black zone crisis, but ultimately fails, and is followed by a full-on red zone crisis.

Again, financial crisis is not inevitable, particularly in the short term - but the chances of crisis have been rising recently.

If it does happen, it could happen fast, and investors may have just one shot to do it right - to at least survive with savings intact, and to hopefully come through in better shape than ever. For that situation, there is no substitute for having thoroughly thought through the possibilities, opportunities and risks in advance.

Testimonials From Prior Participants

Because the April 2018 workshop is new, none of the participant testimonials below are about that particular workshop. The new workshop is the culmination of almost ten years of delivering live workshops while refining the strategies and analyses as well as how to teach the materials - and the testimonials are for earlier versions of the workshop that were part of the development process.

"Finding Daniel Amerman was one of the best things to happen to me. I have been concerned for years about preserving the purchasing power of my retirement savings, which is a challenge unto itself. When you add the additional burden of paying taxes on top of any gains, the task seems impossible to overcome. Daniel is the first person I have found that provides an answer to this challenge. He is truly a creative thinker, playing the chess game 5 moves ahead of most people. After reading his Turning Inflation Into Wealth emails, I decided to buy his course. It is one of the best things I have ever done to help me clarify what is going on and have a plan for the future that gives me confidence. It was an easy decision to attend his second course, which is an update of what has happened in the past two years. I found this seminar to equal his first course in terms of original thought and actionable content. Keep 'em coming Dan."

Bill C.

"Although I am a financial markets addict, my husband is not and he somewhat reluctantly agreed to attend the workshop with me. Halfway through the first morning, however, his attitude completely changed! Dan's presentation captivated him. Dan's precise analysis of current market trends are brought into sharp focus with very practical examples. The unprecedented world of negative interest rates is bewildering to say the least. Not only does Dan help make sense of it all, he provides the tools you need to survive and thrive!

Far from being dry or boring, Dan presents and analyzes the current trends and provides very practical applications. The workshop was packed with useful information. Dan encourages engagement during the sessions. Your questions and comments are welcomed and he incorporates them into his presentation with the skill of a seasoned expert in the field. If you want analysis of the current trends and practical, useful advice on how to navigate them, Dan is your man!"

Sue and Mike B., Ohio

"Following the 2008 financial debacle, I began frantically searching for reliable sources to understand and prepare for what appeared to be instability in the U.S. and world economies. Amazingly Dan Amerman, I discovered, had already been writing about such possible market risks. Dan's gift to take the complex and simplify into meaningful, practical terms provided me an understanding of the various dynamics at the core of the volatility. More importantly, Dan's publications (DVD's, books, and seminars) provided me with actionable insights and strategies to incorporate in my investment and retirement plans. Today I continue to benefit from Dan Amerman's educational tools and insight and highly recommend them to anyone interested in building financial wealth."

Ron K, KY

"My husband and I are both pleased to recommend Daniel Amerman as a singular and top rate financial educator. We are impressed by his ability, as well as his willingness, to provide his students with guided tours into the murky waters of economic theory in a way that is practical, factual, data-driven, and ideology-free. One comes away from each of his trainings and workshops with a little more insight into how both the American and the global economies actually work, and with a little bit of the wool of politics and "common knowledge" removed from one's eyes.

One of the most helpful things Mr. Amerman does is expose how the players at various levels in the financial industry think and act. It is incredibly useful simply to understand the mindsets of those who are in control of the game. He also integrates quantitative with qualitative data to generate insights and perspectives that other economists either miss or dismiss, to the average investor's detriment. The asset/liability management matrix he created to help students "run the numbers" and understand the financial consequences of various investing strategies under different scenarios is, in particular, of great help. That sort of practical education is difficult to come by for those not already in the financial industry.

We will continue to study and find ways to apply Mr. Amerman's work as we chart our financial future in today's very confusing and uncertain waters. We also look very forward to attending future workshops to keep up with changes in economic policy and its consequences. I am happy to say that Mr. Amerman has earned our trust, which is not an easy thing to give to anyone in an industry that is dominated and controlled principally by predators, fraudsters, clueless academics and salespeople posing as "advisors". Thank you, Mr. Amerman, for showing us that all is not lost in your industry, and for giving the rest of us a fighting chance to survive and even thrive in what is becoming an increasingly bizarre and uncertain financial world."

Jennifer CM

“As a successful businessman for 35 years, I found myself ready to retire and confident that I had gotten myself out of debt and accumulated a decent retirement nest egg. As one of the baby boomers, I was feeling pretty comfortable until I viewed Dan’s DVD material and realized my traditional retirement strategy was going to result in a significant reduction in what I would really have for retirement because of what was coming. Attending Dan’s workshop helped me to understand the core issues we face and change my paradigm and use a strategy that aligns with that understanding so that not only will my retirement assets be protected but they can significantly increase as I move into my retirement future. My (and my family’s) future looks much brighter and secure thanks to Dan’s insights.”

John B

“I found the workshop to be extraordinary. It was extremely thought-provoking, and it helped me to focus my investment decisions very sharply. I do not think that it is an exaggeration to say that there is not a single other researcher or investment professional who provides this depth of analysis and focus on the real implications of where the U.S. economy -- and its political institutions -- are, and what it means for our future. I have no reservation at all in recommending these workshops to others.”

David F

“Attending Dan Amerman’s seminars, reading his publications and viewing his DVD’s is a financial perspective changer. Dan’s professional training and “boots in the trenches” real life involvement with how our nation finances various segments of the economy provide unique and useful insights which he clearly articulates with both written and graphic materials. By word and by illustration he clearly shows the role inflation plays in our personal finances and the real but sometimes "hidden" outcomes that affect each and every one of us."

Ken
Washington State

"Dan Amerman is a 'banker's banker' in the world of high finance. Be one of the few to see how the real game is played, especially relevant since the 2008 chaos. Study his materials. Attend his seminar to relearn how to apply these unique strategies to your personal portfolio. The seminar attendees are sophisticated and add considerable insights!"

Ron C
Wisconsin

"I've been investing in cash flow real estate for nearly twenty years, and in one weekend my entire perspective has changed. I will never make another deal without using the tools I learned from Dan.

We live in a time in history when it's really hard for small investors to see a real return on their investments after taxes and inflation take a big bite. Dan Amerman has given me the skills to help me come out ahead, and for that I'll always thank him.

Dan has a gift for understanding the big picture, as well as the number crunching skills of a Wall Street quant. Yet he has dedicated himself to educating regular people about how to get a decent return and preserve their personal wealth in a tough financial environment. To me that makes him a real hero, a champion of the little guy."

Eddie T

"It was an absolute pleasure meeting you this past weekend. I want to thank you again for all your time and effort in providing such a wonderful learning experience. Your insights and analysis were well thought out and logically presented. They brought clarity to an economic picture that, for most, has been extremely fuzzy. I left the weekend with a much clearer focus on what tactics need to be employed as we move down this uncertain economic road."

Bob R

"I enjoyed the workshop and learned a great deal. It was worth attending to come up to date on how your analysis has evolved, to review the core issues that have not changed since 2008, and to incorporate the relevant new issues. The questions and comments of the other participants provided a great deal more than I had expected. The other attendees were well informed and brought another level of analysis as their questions helped us explore the topics presented in the workshop. I left impressed with the sophistication and diverse background of the audience.

Your approach of looking beyond just the basic economic forces by examining the political, social, and demographic dimensions allowed for a more objective and balanced assessment of what significant paradigm shifts we might expect. By avoiding the current dominant debate between inflationists and deflationists, we were able to see that simply subscribing to either of these two sides brings significant risk.

Those unwilling to reconsider the validity and merit of this current debate may find themselves unprepared for the structural changes ahead and therefore ill-equipped to adapt. This brought to mind investment managers who performed well in 2008 only to experience subsequent financial trauma as they found their experience inadequate preparation for the new landscape which requires a much longer historical perspective than most have accumulated in their careers.

Did we all hear the next hot tip? No. But we did hear what the important issues are and how we need to look to different tools to solve the investment problems of tomorrow. Plus, there's an old saying: anything that can be put in a nutshell belongs there. I look forward to following your analysis and wish you, your family, and the rest of the workshop participants the best."

Eric D

"Mr. Amerman's workshop changed my life. He brought my understanding of the global economy's impact on my personal financial life to a new level. Due to his workshop, I have made giant changes in the way I save and the structure of my financial plans for the future. I feel much more secure and look forward to a future of prosperity! I can wholeheartedly endorse the time and money spent attending his workshop - it will be returned to you many times over."

Lee Anne S

The testimonials were solicited in follow-up e-mails sent after previous workshops. No compensation was offered in exchange. They are each the full testimonial as received, and have not been edited for content. Not all workshop participants provided testimonials. From those who did provide testimonials, the most positive testimonials were those selected for inclusion in this brochure. Because those with particularly positive experiences are the most likely to provide highly positive testimonials, they are not a random sampling, and nor should they be considered as representative of the experiences of all prior workshop participants.

About Daniel Amerman

Daniel R. Amerman, CFA, is an author, speaker, consultant, and the creator of the Finding Wealth In Unexpected Places series. His articles are a regular feature at contrarian investor education websites.

In addition to "The Secret Power Within Your Mortgage" and "Contracts With Our Children", Mr. Amerman is also the author of "Mortgage Securities" and "Collateralized Mortgage Obligations", published by McGraw-Hill and a subsidiary. Covering subjects usually considered complex, the books were known for their innovative, easy to understand approach and somewhat controversial conclusions. Published in 1993, the first book also made the case that there were major errors in what the public was being told about stock investing, with most of long-term historical yield and safety deriving from the assumed reinvestment of high dividend levels that no longer existed.

The books led to speaking engagements across the country, in front of audiences of bankers and finance professionals. Much of what was once considered "controversial" has since become accepted, and the books have been cited by a number of professional texts, as well as in research papers from the Federal Reserve and Oxford University.

As a former investment banker responsible for new product research and capital market originations, Mr. Amerman was a leader in developing mortgage hedging and synthetic securities strategies for financial institutions, with an emphasis upon integrating the option component within mortgages into overall asset/liability management planning. This work led to numerous speaking engagements and workshops, for sponsors including The Institute for International Research, New York University, and many banking groups.

Dan Amerman is a Chartered Financial Analyst with MBA and BSBA degrees in Finance from the University of Missouri.

Pricing, Discounts & Payment Information

Workshop Price:	$1,495
Early Registration Discount (Payment by April 14th)	($150)
Workshop Price Net Of Discount	$1,345
2nd Person Discount	Save 50%

DVD Pricing For Workshop Participants: Save 30%

Save 30% off the price of the DVDs of your choice with your workshop registration.

Register for the workshop, then write us at the email address below with your selection of DVDs, and we will invoice you for the discounted DVD price.

Tax Deductibility: A good question to discuss with your tax advisor

For questions, to select your choice of DVDs for discounted purchase, or for information on paying by check, please write to:
mary@danielamerman.com

Space Is Limited, Sign-Up Now:

http://www.danielamerman.com/workshop/payment.htm

Meeting Schedule & Hotel Information

Chicago Marriott Naperville

1801 North Naper Boulevard, Naperville, Illinois 60563
+1-630-505-4900
http://www.marriott.com/hotels/travel/chimn-chicago-marriott-naperville/

Saturday & Sunday, April 28 & 29, 2018

Saturday check-in will start at 8:15 am, with the workshop presentation beginning at 8:30 am, and lasting until 5:00 pm. There is an hour break for lunch each day, and short morning and afternoon breaks as well.

The Sunday session will begin at 8:30 am, and last until 4:00 pm.

The Marriott has set aside a limited number of guest rooms under the name "Amerman Financial" , with those rooms being held until April 9th, 2018. Our group rate is $124 per night for Friday and Saturday. Just call the front desk if you would like make your reservations using this option.

Disclaimer

Please note that the seminar / workshop will be of a strictly educational nature, rather than the rendering of professional advice. The future is uncertain, and there are no guarantees or promises of success or particular outcomes. As with any financial decisions, there is a risk that things will not work out as planned, and with hindsight, another decision would have been better.

The workshop will not include specific investment, legal or any other form of professional advice. If specific advice is needed, it should be sought from an appropriate professional. Any liability, responsibility or warranty for the specific results of the application of the general educational principles contained in the workshop and the written materials, either directly or indirectly, are expressly disclaimed by the workshop leader.