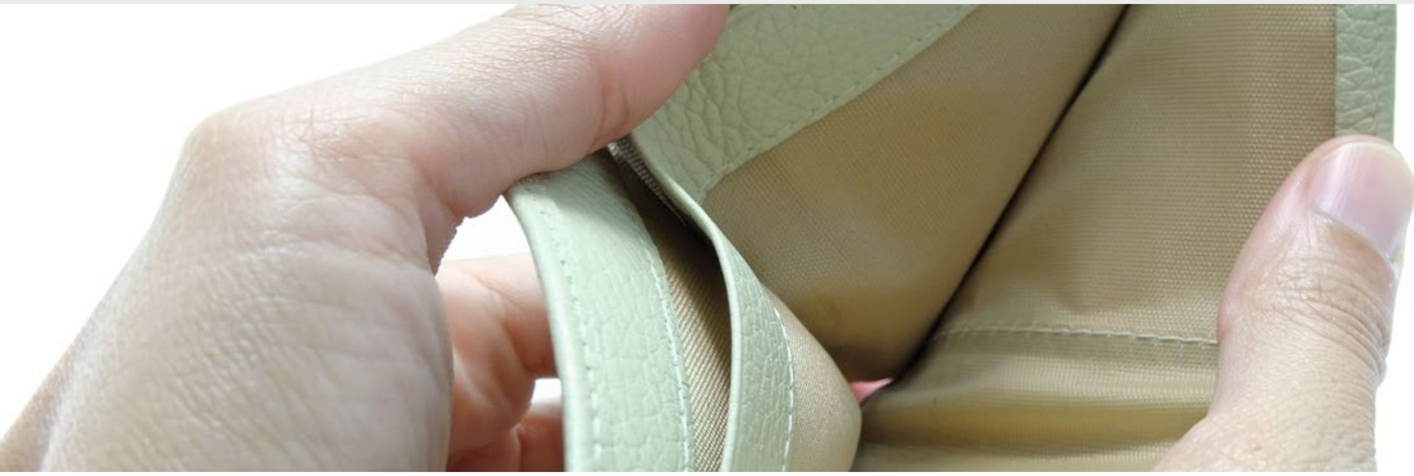
Augusta Precious Metals
Your Retirement Protection Partner

Augusta Precious Metals Special Report:

Fighting Inflation: How to Protect your Savings



What if you were told the U.S. government could essentially devalue your savings – including IRAs and 401(k)s – as a result of “monetary policy”? Would you know what to do about it?

Through history, various governments around the world have implemented policies resulting in the confiscation of the private wealth of its citizens. In the past, the most recognizable and upsetting forms of wealth confiscation have involved governments going beyond reasonable taxation and forcibly digging deep into the pockets of their citizens. In other words, actually showing up at the door and demanding the money. Draconian wealth confiscation efforts have been going on since there have been governments – it was a common practice in Ancient Rome, for example. You wouldn’t think the modern world would have any such thing.

But wealth confiscation doesn’t happen solely by jackbooted government agents appearing on the doorsteps of the people. One method of wealth confiscation popular in foreign countries in recent years has been the “nationalizing” of private pension plans. Since the 2008 global recession, a host of countries – including Argentina, Ireland, France, Hungary, Bulgaria, and Poland – have “commandeered” the pension plans of their citizens in an effort to address massive financial shortfalls. But that’s not in the U.S.A.

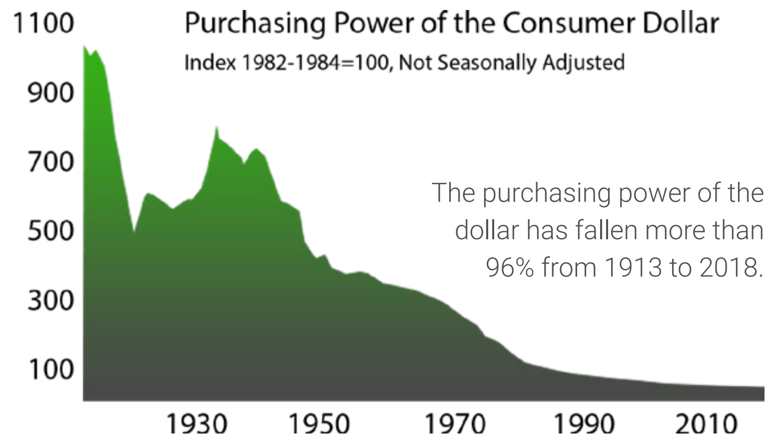
Nothing quite so obvious has occurred in America, but a convincing case can be made that government monetary policy leading to inflation is indeed a modern form of wealth confiscation. Specifically, one can argue when President Nixon took the U.S. dollar off the gold standard in 1971, it finally enabled the dollar to float freely against other currencies and removed the final obstacle to ballooning federal deficits and trade imbalances. Basically, if the dollar isn’t tied to a tangible source of value such as gold, the feds can simply print more dollars as needed, which can lead to inflation. When inflation increases, the purchasing power of your money declines. So essentially, inflationary policies can lead to a decrease in your wealth as the purchasing power of the money you have decreases. Would you say that’s about the same as showing up at the door and taking your money?

That’s the bad news. The good news is there’s a way to defend your savings – including retirement plans.

Does Deficit Spending Deplete the Dollar's Value and Decrease Your Wealth?

The fiat currency system of the United States allows the government to spend money whenever and however it wants. And if Washington needs more to spend, the feds and central bankers can create dollars at will. The fiat currency system over which they preside isn't tethered to any tangible store of value. That's how our elected officials can engage in high levels of deficit spending and create a national debt now in excess of $21 trillion.

But is deficit spending always bad and does it always lead to inflation, which debases the value of a dollar? Deficit spending does pump dollars into the economy, and economists say that if those dollars aren't accompanied by more goods and services for consumers to buy, then inflation is likely to occur because demand will be up and supply will be down.



However, many economists argue that to a certain extent, deficit spending is essential and good, and some don't believe it will lead to inflation under our current economic conditions. These economists believe there is still "slack" left in the economy, meaning there is still room for expansion. So, while some economists argue that increased deficit spending has America on the path to an inflationary event, others argue there is still plenty of room for additional deficit spending before that occurs. They contend that inflation rates have stayed around or below two percent since the Great Recession.

In fact, even after massive deficit spending associated with the Obama stimulus and all the warnings of hyperinflation, inflation averaged less than 1.5 percent. So, while deficit spending doesn't always lead to inflation, when conditions are right, pumping more cash into the money supply does debase the value of the dollar. There does not appear to be a consensus among economists as to how much deficit spending is "good" nor the timing of when continued spending will lead to an inflationary event.

But what's the net effect when limitless cash creation does lead to inflation, decreasing the value of the money in your possession?

> **"By a continuing process of inflation, government can confiscate secretly and unobserved an important part of the wealth of its citizens."**
> *–John Maynard Keynes, legendary economist*

What's in YOUR IRA or 401(k)?

Back when the dollar was tied to the gold standard, the government could not simply print more money at will. Any increase in dollars in circulation had to be tied to an increase in gold reserves. It was not until the U.S. abandoned the gold standard that the government could simply begin printing more dollars. You don't have to be a student of economics to see the difference over the last century or so. In fact, one of the "tells" can be discerned through a quick but revealing comparison of U.S. currency in the first part of the 20th century to currency issued more recently.

Here is what a current $10 bill looks like:

Looks familiar enough, right?

Now ... here's what a Series 1934 $10 bill looks like:

Aside from the obvious differences in age and cosmetics, do you notice anything significant that distinguishes the Series 2004 $10 bill from the Series 1934 bill?

First, there's this bit of text in the upper-left portion of the 1934 bill:

"This note is legal tender for all debts, public and private, and is **redeemable in lawful money** at the United States Treasury, or at any Federal Reserve Bank."

Then there's also this on the same bill:

"The United States of America will pay to the bearer on demand ten dollars."

It's important to emphasize the 1934 bill is not a gold or silver certificate. It is a Federal Reserve Note like its 2004 counterpart. The 1934 note overtly recognizes it is not actual money – or "lawful money," a strikingly revealing way of putting it. The bearer *could* exchange the note for "lawful money" if they showed up at the U.S. Treasury or any Federal Reserve Bank.

Did you ever think of the dollars in your wallet as being something <u>other than</u> lawful money? It may be lawful, but the government clearly knows it's not "lawful money."

And as for just what constitutes "lawful money," Investopedia offers up one of the best, most succinct definitions:

> Lawful money is any form of currency issued by the United States Treasury, and not the Federal Reserve System. It includes gold and silver coins, Treasury notes, and Treasury bonds. Lawful money stands in contrast to fiat money, in which the government assigns value although it has no intrinsic value of its own and is not backed by reserves. Fiat money includes legal tender such as paper money, checks, drafts and bank notes.
>
> Lawful money is also known as 'specie,' which means 'in actual form.'

This comparison highlights the current inability of American citizens to exchange Federal Reserve Notes in their wallets for "lawful money" and illustrates how things have changed now that money is no longer tied to the gold standard.

How You Can Fight Inflation-Driven Wealth Confiscation

Without a tangible currency anchor, the feds can continue to engage in deficit spending that, under certain circumstances, can deplete the value of the dollar and everything dependent on it … including your retirement savings!

So how do you fight the potential decrease in your wealth that results from these monetary policies of the government and the Federal Reserve? Ironically, some say, tethering your money to the very stores of value the government does not bind theirs to: gold and silver. When you purchase these stores of value for the benefit of your own financial reserves, you're effectively immunizing your wealth from the government's deficit spending.*

> **"Deficit spending is simply a scheme for the confiscation of wealth. Gold stands in the way of this insidious process. It stands as a protector of property rights. If one grasps this, one has no difficulty in understanding the statists' antagonism toward the gold standard."**
> *–Alan Greenspan, Former Chairman of the Federal Reserve of the United States*

Gold and silver are assets that could defend your IRA or 401(k) from any negative effects of the government's deficit spending. As a physical store of value – genuine money – precious metals cannot be devalued by the government in the way fiat currency can be devalued.

And because gold and silver are genuine money, they're able to not only defend your savings against "silent" wealth confiscation, but help your portfolio survive – perhaps even thrive – in a variety of adverse economic conditions.

What are those other adverse conditions? Higher interest rates, a deteriorating trade climate and record levels of global debt are just a few. These are the factors leading many market observers to predict a bear market with a drop on the scale of at least 40%. In fact, one respected economist, Dr. John Hussman, Ph.D., founder of Hussman mutual funds, says investors should expect the Dow Jones Industrial Average to sink by 70% in the next bear market.[1]

Fortunately, physical precious metals has been known to not only help offset negative effects of corrections and bear markets, but even propel portfolios higher during adverse conditions. In the decade of the "Great Inflation," the 1970s, when the stock market returned just 2% to investors from January 1970 to January 1980, gold and silver skyrocketed 1,500% and 2,100% respectively over the same period. More recently, from November 2008 through April 2011, while the nations of the world were still suffering the effects of the Great Global Recession, gold jumped 110% and silver soared nearly 400%.

There's more. Although this report focuses on the problem of wealth confiscation by inflation, it's also worth noting the important role gold and silver can play in protecting the physical security of your money. So-called paper assets, such as stocks, bonds, and of course cash are really digital assets nowadays. This means their security is vulnerable in new ways. However, when you own gold and/or silver, you own physical assets that are stored outside of banks and securities brokerages in highly secure, non-government depositories.

You can guard your IRA or 401(k) against the negative effects of deficit spending, as well as an array of other shocking financial threats. But you have to act in your own defense, or your portfolio will remain unprotected.

Call Augusta Precious Metals today at 855-242-4121, ask for our free, no-obligation Savings Protection Kit, and get started as soon as possible.

Don't be one of those who may have to look back later and feel the regret that comes with failure to act. Take a few moments now to learn how ownership of physical gold and silver could provide the protection you need for your hard-earned savings.

Call Augusta today!

[1] Kolakowski, Mark. "Why the S&P 500 May Fall More Than 60%: Hussman." Investopedia, 6 August 2018. https://www.investopedia.com/news/why-sp-500-may-fall-more-60-hussman/.

*Any opinions or advice offered by Augusta or through its attorneys are Augusta's opinions and not to be relied on by anyone for any purpose. Seek your own legal, tax, investment, and financial advice before opening an account with Augusta. Since Augusta's content may contain errors and Augusta is not qualified to offer legal, tax, investment, or financial advice, you should not base investment decisions solely on the content Augusta provides. All decisions regarding the purchase or sale of precious metals, including the decision of which precious metals to purchase or sell, are your decisions alone. The Augusta Gold IRA (or silver) is a self-directed IRA containing physical precious metals delivered to a secure non-government depository storage facility and administered by a third-party custodian. Investors can make an appointment to see their metals at the depository, which could be far from investors' homes. The Augusta Home Delivery Gold IRA (or silver) is a self-directed physical precious metals IRA delivered to investors' homes. You should seek guidance on proper storage of the precious metals and rely solely on your own legal, tax, and investment advisors. If you sidestep IRS rules or mishandle precious metals in a Home Delivery Gold IRA (e.g., setting up the IRA improperly, engaging in a prohibited transaction such as withdrawing metals before retirement to use for any purpose), or if it is determined that your method of storage is not permitted by the IRS, you could lose the IRA's tax-exempt or tax-deferred status and be required to pay taxes and penalties. The IRS may, at any time, audit an IRA, declare bank safe deposit box storage or depository storage does not satisfy IRS requirements, and impose taxes and penalties on the IRA owner. Augusta cannot guarantee, and makes no representation, that any metals purchased by a customer will appreciate at all or appreciate sufficiently to make a profit, and there is no certainty that any metals can be sold for a profit. The future value of the coins you purchase cannot be predicted. You could lose money. Don't invest in Augusta products with money you can't afford to lose. Prices may rise and fall over time or rapidly. Past performance of any coin does not guarantee future results. Premium coins are sold for more than the value of the precious metal they contain. Augusta's prices and buy-back prices are determined and controlled by Augusta. This investment is speculative and unregulated.

Augusta Precious Metals
Your Retirement Protection Partner

Augusta Precious Metals | 855.242.4121 | Augustapreciousmetals.com
8484 Wilshire Blvd., Ste. 515 | Beverly Hills, CA 90211

© 2019 Augusta Precious Metals. All Rights Reserved.

190130