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Why Financial Collapse Is Only the Beginning

*And Six Rules to Live By to Protect
Your Family*



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While you browse the web seeing disaster scenarios, you begin thinking that resilient living isn't just a trend, but a necessity.

Global financial collapse is a likely income in the near future, as opposed to the very unlikely "Zombie Apocalypse". In this "Zombie Apocalypse" the zombies don't eat your brains, they eat your financial assets.

How might a financial collapse occur? We found a presentation that Raoul Pal gave late last month in Shanghai that makes a very compelling case for financial collapse.

Raoul is a Goldman Sachs alum that went on to co-manage one of the world's largest hedge funds in London. He now writes research for senior money managers at the Global Macro Investor from his (early) retirement home on the coast of Spain. In short, he's an insider's insider.

The presentation is very straight forward, incisive, and very dark. It makes a clear case why the current version of our global financial system will collapse and what the results of this collapse will be.

Stick with us on this, there's something to be learned here. Something we can plan against.

The Big Reset

Why will the financial system collapse?

Raoul's answer is simple: too much debt. Debt that can't be repaid. Worse, this \$70 trillion in debt serves as collateral for \$700 trillion in financial derivatives (an amount 12 times larger than the entire global economy!).

Raoul then points out that our ability to service this massive public/private debt load is rapidly decreasing: All of the big economies are now entering a new recession, at the same time. This is

the first time this has happened since the 1930's. Worse, these economies are entering a new recession without recovering the ground lost in the last recession, again the first time since the 1930's.

This is a recipe for disaster.

How will the collapse play out? Europe's current meltdown will result in huge bank and sovereign defaults since there isn't a mechanism that can stop them from occurring.

These early defaults will cause a domino effect of sovereign and bank defaults. These sovereign and bank defaults will be so large that they will be beyond the ability of central banks and governments to prevent them.

Worse, it will happen as a tsunami (huge and fast). The damage of each sovereign default will be both a) amplified and b) quickly spread throughout the entire global financial system by a hideously complex tangle of financial derivatives.

As the collapse occurs, the dollar and gold will be the only remaining forms of wealth still liquid. However, even that won't last. When things settle down, it will be clear that the entire system we built on fractional reserve banking and fiat money will be gone.

So, what happens after that? Raoul makes the case that a new financial system will be built. In short: it will be a Big Reset with new forms of wealth replacing old, bankrupt forms. So, what should you do to prepare for the Big Reset? Raoul recommends urgent action, but uses a conventional, rearranging the deck chairs on the Titanic, approach that falls well short of what is really needed:

“We have around 6 months left of trading in Western markets to protect ourselves or make enough money to offset future losses. Spend your time looking at the risks of custody, safekeeping, counterparty etc. Assume that no one and nothing is safe. After that...we put on our tin helmets and hide until the new system emerges.”

Raoul is referring that financial collapse is just the first shoe to drop.



Our friend Dmitry Orlov's gives us five stages of collapse to reference. We see many nations in the middle east and even Europe moving from Financial collapse down the scale...to steps 3 and 4...maybe even 5 in Syria.

1. Financial collapse.
2. Economic collapse.
3. Political collapse.
4. Social collapse.
5. Cultural collapse.

But there's no need to panic. And checking out isn't the solution. Instead, there are a few rules you can follow to be ahead of the curve and maintain the current standard of living you have.

The Best Way to Prepare for the Big Reset

Unfortunately, the Big Reset isn't fantasy.

It's a highly likely outcome given our current precarious situation. As a result, preparing for it isn't optional.

The only remaining question is: how do you prepare for it? The real answer is quite simple.

Live resiliently.

Resilience isn't only living sustainably or separating yourself from the grid.

It's about moving in a direction that allows you to handle acute problems (severe storms, riots, flooding, power outages) while positioning yourself to thrive in the situation in the longer-term trends (financial collapse, long-term power outages or major food supply interruptions).

While many just think moving off the grid or becoming sustainable is the solution. That's short-term thinking.



That just suits the acute problem.

The resilient solution is to become a producer rather than a consumer and help your community to do the same.

In a Big Reset, local production is king. It trumps all other forms of wealth.

Resilience doesn't only produce the tangible wealth you need to ignore the effects of a decade of global economic depression. It ensures that you and your community will be in a good position to help decide what the next global economic system looks like (rather than being told).

So, how do you build a resilient lifestyle that enables you to avoid the effects of a Big Reset while improving the quality of...

your health,
your wealth, and
your relationships?

Finding the answer to that is what resilientcommunities.com is all about.

In fact, we've developed six key rules to help you thrive and bounce back from any short-term or long-term interruption in your daily life.

Here are the rules to live by to protect yourself and your family.

1. Productivity at every level

In most cases, the most valuable asset you own is your home. But it's also likely your largest liability. We often call it a black hole of consumption.

Every year you likely have to pay homeowner's association dues, insurance expenses, the time and energy for upkeep on the landscaping, roof, drainage and indoor cosmetics.



Those are all expenses, often wasted.

Instead, use the time and investment in your home to make something productive. Produce food, energy, water, etc. The same is true for your community. If it isn't producing anything you can use on a daily basis, help make it more productive.

2. Take control

Enter every situation from a position of power. This requires you to know your options and mentally and physically prepare for events. This motto can/will apply to every aspect of your personal, professional and social lives.

Take control of your future. Don't allow yourself to become a victim or a pawn.

Don't let forces you can't see, people you can't talk to control your fate. How do you take control? Reduce the scale of the systems you depend upon. Can't trust global food production? Produce it locally. Can't trust global financial investment products? Invest in local infrastructure that you can see and touch.

RC.com provides you step-by-step instructions on this.

3. Get ahead of the power curve

The global system is deteriorating. As it deteriorates, things that used to be easy will get harder, more expensive and in some cases impossible. Don't let the power curve trap you or limit your options. Know where the curve is, and how to stay ahead of it.

RC.com continuously analyzes the news to give you a heads up on where the power curve is headed.

4. Invest in Local Production



Invest in things that you can touch. Local production with known local markets. As economic conditions deteriorate/flux, so will the purchasing power of global financial instruments and/or your ability to access it. A resilient community will have an export of financial, intellectual and productive capital. Local production allows for more immediate feedback on your investment.

Local businesses can become resilient businesses. Roofing companies can focus on resilient solutions, adding solar. Landscapers can begin providing foodscaping services to increase food production in the community.

All of these can be done at a profit and demand is increasing.

Learn these skills today.

5. Community Up

Your security and future success will be great amplified if you live in a community of people that also believe in resilience. The expertise and help you need to overcome many personal and/or community limitations exists on the Internet. Create an online presence and seek out others online that have the same interests you do. You will be amazed at the results.

Surround yourself with those who have the same moral authority and perspective of value as you do. There is nothing more important than distinguishing those who give their 'gift' to the world and those who expend minimal energy to extract 'comfort' from the world around them. A big surprise is coming to those who don't put forth full efforts. Either be ready to support them, or use the opportunity as a profit potential with others in your network that will export value to them.

6. Trust

One of the big drivers of the current global collapse is moral/ethical bankruptcy. Nobody really trusts anybody else (with good reason). Don't perpetuate that failure.

Create a standard of behavior for yourself. Make sure that the networks and communities you are part of enforce standards of behavior. Build trust. It matters how you make your income and live your life.

Provide value before expecting anything in return. This goes hand in hand with #1 in the ability to enter situations from a position of power.

These rules will keep you prepared for any acute or long-term.

Your team here at Resilient Communities will constantly stay on top of these trends to keep you informed. Each month, we publish a premium newsletter with three main sections with actionable, DiY information. This will keep you ahead of the curve.

[Get here to instant access to the archives and see full details of the experts and information you can use to keep your family prepared.](#)