

TDI Podcast Summary for Kerry Lutz - TDI Podcast Guest (#895)

Quick recap

Andrew and Kerry had a casual conversation about their past experiences and Kerry's current career as a radio show host, before delving into discussions about the implications of recent elections on the market, the potential of a national sales tax and tariffs, and the stock market. They also discussed the role of AI in their work, the similarities between the current political climate and the 1893 election of Grover Cleveland, and the impact of inflation on investments.

Summary

Casual Conversation and Past Experiences

Andrew also discussed Kerry's current career as a radio show host and his mission to help people survive and thrive in the new economy. Kerry shared some humor about his past as an attorney, including some jokes about lawyers and billing practices. The conversation was light-hearted and friendly, with both participants sharing personal anecdotes and experiences.

Election Implications and Presidential Term

Andrew and Kerry discussed the implications of the recent elections on the market. They agreed that the election results were significant, particularly for the incoming president who is a lame duck and cannot run for another term. Kerry suggested that the president would likely use his time in office to sign a stack of executive orders, making him the first "robo signer in chief". They also discussed how the president's second term would be different from his first, with no pomp and circumstance. The conversation ended with the idea that the president's second term could be seen as a "do-over" or a "Mulligan" in golf terms.

National Sales Tax and Tariffs Discussion

Andrew and Kerry discussed the potential of a national sales tax and tariffs, which they agreed could be a consumption tax. They considered the benefits of such a system, including reduced tax evasion and the ease of enforcement through electronic transactions. However, they also acknowledged potential drawbacks, such as the risk of price manipulation and the impact on the CPA industry. They concluded that the system would be easier to manage and enforce in the current electronic age.

Kerry's Skepticism and Gold Investments

Kerry and Andrew discuss the political situation, with Kerry expressing skepticism about significant positive changes under new administrations. Kerry mentions his long experience voting since 1976 and his disappointment with each successive president. Andrew then shifts the conversation to

Kerry's investment strategies, specifically his preference for gold and the recent success of his gold investments. The discussion touches on Kerry's approach to protecting himself financially and his long-standing advocacy for gold as an investment.

Alternative Investments and Inflation Concerns

Kerry and Andrew discussed the stock market, inflation, and the value of alternative investments such as gold, silver, and cryptocurrencies. Kerry suggested that a 15% allocation to alternative investments could serve as a hedge against inflation and protect wealth. They also touched on the potential risks of currency devaluation and the high levels of debt in the US. Kerry emphasized the comfort of holding physical precious metals, while Andrew noted the potential for a bunker mentality in response to these financial concerns.

Inflation's Impact on Investments and Growth

Kerry and Andrew discussed the current economic climate, focusing on inflation and its impact on investments. They agreed that inflation is a significant factor to consider in financial planning, with Kerry suggesting that dividend-paying stocks could be a good strategy for covering inflation. Andrew emphasized the importance of understanding the rule of 72, which shows how quickly prices can double in an inflationary environment. They also discussed the potential for new and innovative businesses to drive economic growth, drawing parallels with the Internet revolution of the nineties.

Exploring AI for Increased Productivity

Kerry discussed her frequent use of AI for various tasks, including writing and planning trips, which she believes has significantly increased her productivity. She shared an example of using AI to write an article that would have taken her six to eight hours to complete, but was finished in less than half an hour. Andrew then shared his experience with using AI to generate cover art for his podcast, noting that while it's not perfect, it's an interesting experiment. Both agreed that AI can be a valuable tool for saving time and improving efficiency.

Comparing Politics and Market Flaws

Andrew and Kerry discussed the similarities between the current political climate and the 1893 election of Grover Cleveland. They also touched on their shared love for the markets, despite acknowledging its flaws. Andrew used the analogy of a rigged slot machine to illustrate how the markets can be seen as rigged in favor of the players, which Kerry agreed with. The conversation ended with a nod to the opportunities that arise from these perceived flaws.

Investing Perspectives and Government Roles

Kerry and Andrew discussed the short-term and long-term perspectives on investing, with Kerry expressing concerns about the short-term rigging of financial markets. Andrew countered that people have become more long-term focused, especially after the Covid-19 pandemic. They also

discussed the role of governments in creating money and the potential for making money from government actions. Kerry suggested that one way to make money is by exploiting the government's role as an "accommodating loser" in the financial market.

Inflation, AI, and Foreign Investments

Kerry and Andrew discussed the impact of inflation and the role of AI in the market. Kerry highlighted the benefits of investing in stocks that would benefit from inflation and AI, such as utilities and companies in Northern Virginia. They also discussed the influx of foreign investments into the US, which could be from sovereign wealth funds or governments. Kerry suggested that the flow of funds would increase after the election and that the US dollar, currently the world's reserve currency, might not remain so in the future.