

Survive and Thrive November: Our Cabin on Kodiak, Alaska

Dear Survivor,

I've been working with Dr. Lee for 16-years. He was only 53 when he became a client. Even back then he was the millionaire next door.

But for about two weeks of every month, he doesn't have any neighbors. That is unless you happen to have a cabin on Kodiak Island, Alaska. Even then you probably won't see each other. Overlooking the water, his cabin is a fly cast away from world-class King Salmon fishing. He loves to fish.

He also loves to share his knowledge and to keep learning.



Before he retired he would sharpen his professional axe teaching university students about oral healthcare. Today he still attends a financial seminar every year to keep up on the world of finance and investing. You wouldn't believe some of the horror stories he's told me from investors he's spoken to at these events. Oftentimes he sums up the seminars like this: "You know E.J., it turns out compound interest still works."

Dr. Lee knows investing is simple. He also knows realizing investment success is difficult to do. That's why we've worked so well together for so many years.

The Land of Giant Bears | Full Documentary - Planet Doc Full Documentaries

Part of my effort on your behalf is to help you avoid inertia, get into the compounding game, and always be prepared for the worst. Always think about your risks first and realize the success you and your family deserve. It's that simple.

Here's what Dr. Lee wrote to me later about investing:

It's not Rocket Science. Simple. Start early follow the Young philosophy and stay the course. Einstein's 8th wonder of the world will do the rest for you. Lee

"That eighth wonder of the world is compound interest. The best way to begin understanding the

power of compound interest is to consider saving for your grandchild. Back in July, I wrote about such a scenario:

The short answer is, early. The earlier you can start saving for your grandchild, the greater the impact you'll have on their life.

Take a trip with me. Let's say you help a grandchild get into the savings game when they're born by contributing \$525 per year to an account you establish for them. (I favor UGMAs for this purpose). You diligently save each year for her first 21 years.

Then when she turns 22, she continues along the same path, saving \$525 on her own each year until she's 64.

Look at my table below to compare her success to someone who begins his investment savings at age 22 at double the savings rate of your granddaughter, saving \$1,100 each year. Even though he's saving twice as much each year, when he turns 64 he'll have half as much as your granddaughter simply because you helped put time on her side with your early generosity (I've used a long-term expectation for stocks of 6% growth per year).

So, how do you save money for your grandchild? Easy, put time on their side.

You must be the one to harness the power of compound interest by saving early and often.

Reader Inbox

You can't make this stuff up. As one client emails:

E.J.,
I feel blessed by PG&E. They threatened to turn off power again early this morning and at this writing (1:35 PM) it is still on. The Saturday night to Monday afternoon outage wasn't exactly fun. I lost everything in my refrigerator and freezer and couldn't cook anything. I'm in a condo, so no generator is allowed. My son's community in Maine looks more inviting by the day.



BY ANTON FOLTIN @SHUTTERSTOCK

And another:

E.J.,
Hope you are well. Read the "[Your Survival Guy](#)" article about the sorry state of the sorry state of California -- where I live. Hard to believe politicians could ruin such a beautiful state -- but they are.

We just bought a condo in Nevada, which we may make our permanent home. Still have to pay ridiculously high state income taxes to California -- but a 1031 exchange could change that. Though there seems to be a rush to the exits...and we're not first in line.

THE POWER OF COMPOUND INTEREST

Save Early and Often

GRANDCHILD A

GRANDCHILD B

Assumed Growth Rate of 6%

| AGE | ANNUAL CONTRIBUTION | YEAR-END ACCOUNT BALANCE | AGE | ANNUAL CONTRIBUTION | YEAR-END ACCOUNT BALANCE |
|-------------------------------|---------------------|--------------------------|-------------------------------|---------------------|--------------------------|
| 0 | \$525 | \$557 | 0 | \$0 | \$0 |
| 1 | \$525 | \$1,146 | 1 | \$0 | \$0 |
| 2 | \$525 | \$1,772 | 2 | \$0 | \$0 |
| 3 | \$525 | \$2,434 | 3 | \$0 | \$0 |
| 4 | \$525 | \$3,137 | 4 | \$0 | \$0 |
| 5 | \$525 | \$3,882 | 5 | \$0 | \$0 |
| 6 | \$525 | \$4,671 | 6 | \$0 | \$0 |
| 7 | \$525 | \$5,508 | 7 | \$0 | \$0 |
| 8 | \$525 | \$6,395 | 8 | \$0 | \$0 |
| 9 | \$525 | \$7,335 | 9 | \$0 | \$0 |
| 10 | \$525 | \$8,332 | 10 | \$0 | \$0 |
| 11 | \$525 | \$9,388 | 11 | \$0 | \$0 |
| 12 | \$525 | \$10,508 | 12 | \$0 | \$0 |
| 13 | \$525 | \$11,695 | 13 | \$0 | \$0 |
| 14 | \$525 | \$12,953 | 14 | \$0 | \$0 |
| 15 | \$525 | \$14,287 | 15 | \$0 | \$0 |
| 16 | \$525 | \$15,700 | 16 | \$0 | \$0 |
| 17 | \$525 | \$17,199 | 17 | \$0 | \$0 |
| 18 | \$525 | \$18,787 | 18 | \$0 | \$0 |
| 19 | \$525 | \$20,471 | 19 | \$0 | \$0 |
| 20 | \$525 | \$22,256 | 20 | \$0 | \$0 |
| 21 | \$525 | \$24,148 | 21 | \$0 | \$0 |
| 22 | \$525 | \$26,153 | 22 | \$0 | \$0 |
| 23 | \$525 | \$28,279 | 23 | \$1,100 | \$1,166 |
| 24 | \$525 | \$30,532 | 24 | \$1,100 | \$2,402 |
| 25 | \$525 | \$32,921 | 25 | \$1,100 | \$3,712 |
| 26 | \$525 | \$35,452 | 26 | \$1,100 | \$5,101 |
| 27 | \$525 | \$38,136 | 27 | \$1,100 | \$6,573 |
| 28 | \$525 | \$40,981 | 28 | \$1,100 | \$8,133 |
| 29 | \$525 | \$43,996 | 29 | \$1,100 | \$9,787 |
| 30 | \$525 | \$47,192 | 30 | \$1,100 | \$11,540 |
| 31 | \$525 | \$50,580 | 31 | \$1,100 | \$13,399 |
| 32 | \$525 | \$54,171 | 32 | \$1,100 | \$15,369 |
| 33 | \$525 | \$57,978 | 33 | \$1,100 | \$17,457 |
| 34 | \$525 | \$62,013 | 34 | \$1,100 | \$19,670 |
| 35 | \$525 | \$66,291 | 35 | \$1,100 | \$22,017 |
| 36 | \$525 | \$70,825 | 36 | \$1,100 | \$24,504 |
| 37 | \$525 | \$75,631 | 37 | \$1,100 | \$27,140 |
| 38 | \$525 | \$80,725 | 38 | \$1,100 | \$29,934 |
| 39 | \$525 | \$86,125 | 39 | \$1,100 | \$32,896 |
| 40 | \$525 | \$91,849 | 40 | \$1,100 | \$36,036 |
| 41 | \$525 | \$97,916 | 41 | \$1,100 | \$39,364 |
| 42 | \$525 | \$104,348 | 42 | \$1,100 | \$42,892 |
| 43 | \$525 | \$111,165 | 43 | \$1,100 | \$46,632 |
| 44 | \$525 | \$118,392 | 44 | \$1,100 | \$50,595 |
| 45 | \$525 | \$126,052 | 45 | \$1,100 | \$54,797 |
| 46 | \$525 | \$134,171 | 46 | \$1,100 | \$59,251 |
| 47 | \$525 | \$142,778 | 47 | \$1,100 | \$63,972 |
| 48 | \$525 | \$151,901 | 48 | \$1,100 | \$68,976 |
| 49 | \$525 | \$161,572 | 49 | \$1,100 | \$74,281 |
| 50 | \$525 | \$171,823 | 50 | \$1,100 | \$79,904 |
| 51 | \$525 | \$182,689 | 51 | \$1,100 | \$85,864 |
| 52 | \$525 | \$194,206 | 52 | \$1,100 | \$92,182 |
| 53 | \$525 | \$206,415 | 53 | \$1,100 | \$98,879 |
| 54 | \$525 | \$219,357 | 54 | \$1,100 | \$105,977 |
| 55 | \$525 | \$233,075 | 55 | \$1,100 | \$113,502 |
| 56 | \$525 | \$247,616 | 56 | \$1,100 | \$121,478 |
| 57 | \$525 | \$263,029 | 57 | \$1,100 | \$129,933 |
| 58 | \$525 | \$279,367 | 58 | \$1,100 | \$138,895 |
| 59 | \$525 | \$296,686 | 59 | \$1,100 | \$148,395 |
| 60 | \$525 | \$315,043 | 60 | \$1,100 | \$158,464 |
| 61 | \$525 | \$334,503 | 61 | \$1,100 | \$169,138 |
| 62 | \$525 | \$355,129 | 62 | \$1,100 | \$180,452 |
| 63 | \$525 | \$376,994 | 63 | \$1,100 | \$192,446 |
| 64 | \$525 | \$400,170 | 64 | \$1,100 | \$205,158 |
| Total Contributions: | | \$34,125 | Total Contributions: | | \$46,200 |
| Total Earnings: | | \$366,045 | Total Earnings: | | \$158,958 |
| Final Account Balance: | | \$400,170 | Final Account Balance: | | \$205,158 |

Electric Cars in a Disaster

What if you have an electric car, you have no power, your car isn't charged, and you need to evacuate? This is exactly the point made recently in [Car and Driver](#):

“Weeks can be a long wait if you're looking at a Model 3 in your garage with a drained battery, no electrical power to charge it, and the closest grocery store with power 80 miles away. But such is life in the Golden State, where forests and chaparral are all on hair triggers ready to ignite with slightest transformer malfunction or transmission line break.

An Alternative Energy Source

Then there's Murray Energy which filed for bankruptcy this week as reported in the WSJ:

“Murray Energy Corp., led by outspoken Trump administration ally Robert Murray, has filed for chapter 11 protection, a stark example of coal's diminished role in the U.S. energy sector.

The eighth coal producer to collapse into bankruptcy over the past year, Murray Energy is the latest to fall victim to diminished demand for coal and competition from cheaper fuels.”

Live Free or Die

This is anecdotal evidence for sure, but in my Live Free or Die state of New Hampshire losing power is a life-threatening event. Imagine a power outage in sub-zero temps in mid-January and you get the point. That's why trees and branches are basically clear cut away from power lines. It's not rocket science.

Chart of the Day

Make sure you're prepared to your fullest capacity. Don't wait until it's too late. As you can see with the share price of Generac this wasn't hard to see.



Survive and Thrive this Month.

Warm regards,

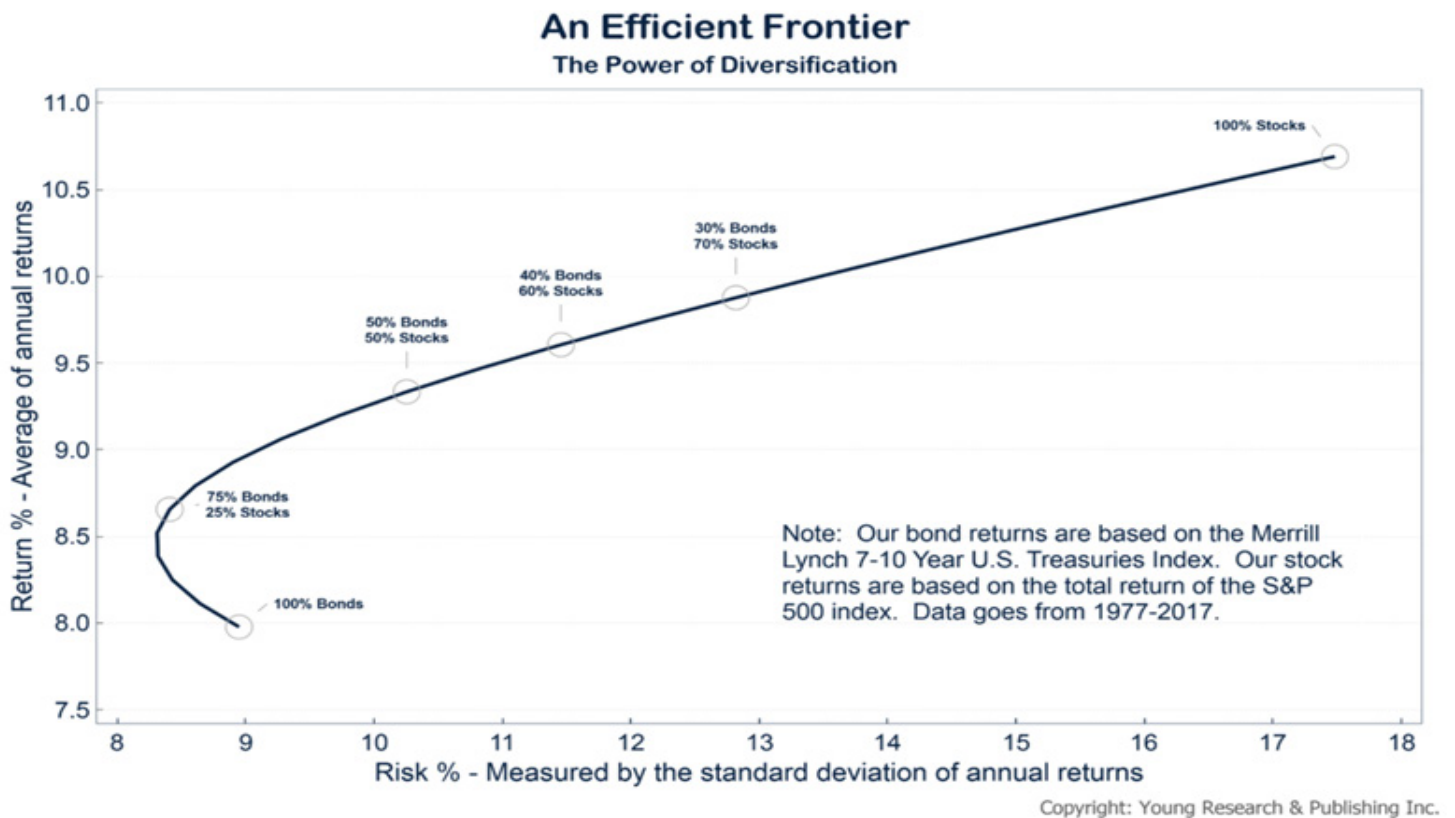
E.J.

E.J.

“Your Survival Guy”

- If someone forwarded this to you, and you want to learn more about Your Survival Guy, read about me [here](#).
- If you would like to contact me and receive a response, please email me at ejsmith@yoursurvivalguy.com.
- Would you like to receive an email alert letting you know when Survive and Thrive is published each month? You can subscribe to my free email [here](#).
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P.S. Investment planning in one chart.



P.P.S. From the AP:

“Millions of people have been without power for days as fire crews race to contain two major wind-whipped blazes that have destroyed dozens of homes at both ends of the state: in Sonoma County wine country and in the hills of Los Angeles.

Across Northern California, people worried about charging cellphones, finding gasoline and cash, keeping their food from spoiling and staying warm. Some ended up at centers set up by PG&E where people could go to power their electronics and get free water, snacks, flashlights and solar lanterns...

PG&E said Tuesday’s blackouts — the third round in a week — would affect about 1.5 million people in 29 counties, including 1 million still without power from a shut-off over the weekend.”

California: where you can’t even trust government to keep the lights on. (from BRIGHT editor Inez Feltscher Stepman, a senior contributor to The Federalist.)

P.P.P.S. What happens when a defense contractor buys a luxury tank maker? Over the years, defense industry watchers have been in awe over Howe and Howe Tech’s Ripsaw creations, from the EV2 (Extreme Vehicle), the EV3-F1 single-seater, EV3-F2 two-seater, to the EV3-F4 four-seater. This superfast tank system has done nothing but turn heads, including that of Textron Systems CEO, Lisa Atherton, [who watched an episode](#) of Jay Leno’s Garage featuring the Ripsaw.

Textron Systems eventually purchased the Maine-based Howe & Howe Technologies to fill the company’s gap in the unmanned land vehicle area of the defense market. The deal finalized in December of 2018, and Textron is already rolling out a 10-ton unmanned robotic combat vehicle known as the [Ripsaw M5](#).

The M5 has an electric hybrid drive, can run in silent mode, and is completely modular. The company plans to enter it in the U.S. Army’s Robotic and Autonomous Systems (RAS) effort. See Textron’s press release below:

[Textron Systems](#), a business of Textron Inc. (NYSE: TXT), its [Howe & Howe](#) subsidiary and [FLIR Systems, Inc.](#) today debuted the Ripsaw® M5 during the 2019 AUSA Annual Meeting. As the Team Ripsaw offering for the [U.S. Army’s Robotic Combat Vehicle \(RCV\) program](#), Ripsaw M5 delivers aggressive mobility and modularity for multiple missions. This combination, along with teammates having decades of proven robotics and unmanned systems experience, results in a low-risk, ready-now solution.

Based on Howe & Howe’s deep knowledge of purpose-built ground vehicles, Team Ripsaw has designed the M5 for high speed and superior mobility in the most rugged terrains and weather. This fifth-generation robotic combat vehicle platform combines scalable armor, suspension and drive options to meet a variety of mission demands. The team has invested up-front in key technologies to demonstrate that the Ripsaw M5 is mission ready to provide the U.S. Army confident execution with uncompromising technology, including real-time situational awareness systems, remote weapons stations and terrain engagement systems. Read the full press release [here](#).