

Safely Prosperous or Really Rich

Choosing Your Personal Financial Heaven

HOWARD RUFF



WILEY

John Wiley & Sons, Inc.

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Foreword

Robert Allen

Author of *Nothing Down*, the best-selling real estate book in American publishing history, as well as the best sellers *Creating Wealth* and *Multiple Streams of Income*, and the 2003 best seller, *The One-Minute Millionaire*

Before me and my ideas, there was Howard Ruff and his ideas, inspiring me and millions of other entrepreneurs and investors in America.

I've known Howard personally and professionally for many years. Everyone should have a friend like Howard. He was there for me when I was going through some serious crises. He believed in me even when I wasn't sure I believed in myself. Professionally, I have always admired his work. His writing and speaking are always clear, direct, and simple, so no one is ever left wondering what he's talking about. He has always been a highly principled man, and his old-fashioned views on ethics, faith, and family as they relate to money have always been a breath of fresh air.

I subscribed to and faithfully read Howard's financial newsletter, *The Ruff Times*, greatly valuing his counsel and often putting it to work in my own life and businesses.

I read with great interest his 3-million-selling *How to Prosper During the Coming Bad Years*, and was blown away by how right on he was at that time. I was also amazed that he could sell 3 million

books. My first book, *Nothing Down*, had just been released, and I was hoping for similar success.

As fellow Californians, Howard and I crossed paths often, sometimes attending or speaking at the same events. I was always impressed with his take on the financial world and what it meant for Main Street America. When Wall Street was saying one thing, Howard was usually saying another—and he was usually right.

Howard Ruff was one of America's first franchise millionaires, buying a speed-reading franchise and brilliantly marketing it into a booming business that rivaled the parent company, which used Howard's marketing materials as its own.

Howard Ruff was one of the first businessmen of stature to legitimize network marketing in America, an industry now responsible for more millionaires than any other (and one I advocate and participate in myself).

Howard Ruff wrote, produced, and distributed one of the largest financial newsletters in the history of American publishing—*The Ruff Times*—which has had a cumulative total of 600,000 subscribers over the past two-and-a-half decades, a success no other financial newsletter has ever come close to duplicating.

Howard Ruff was personally responsible in part for the 1980s gold and silver rush in America, accurately predicting the time to buy and sell, which made untold millions for investors who can trace their fortunes back to Howard Ruff.

Howard Ruff is personally responsible for saving those who listened from financial ruin when he accurately predicted the recent dot-com stock market collapse.

Howard Ruff is a marketing genius. He was the first newsletter marketer to utilize the self-return mailer, courageously mailing it to millions of people at a time with great success—an idea I and others also used in our businesses with great success. In fact, my company never did a mailing for which we did not rent Howard Ruff's mailing list, which always pulled well for us, because Howard had such a large and loyal fan base (which inspired me to keep track of and take care of my own mailing list).

Howard Ruff is a media darling, appearing on every major radio and television talk program in America with an aplomb that made me want to do the same each time one of my books was released.

Howard Ruff was also one of America's original financial and political radio and television commentators, with his own TV and radio shows syndicated in more than 350 markets nationwide.

PERILOUS TIMES

These are perilous times in America—and no one knows more about making money in America during uncertain times than Howard Ruff. In fact, I think Howard is more relevant today than ever before. After a decade of all the twenty-something Wall Street experts who have turned out to be dead wrong, we need a real adult to lead us forward. At age 73, with a lifetime of experiences, successes, and failures, Howard is that real adult.

Howard has watched, analyzed, predicted, profited, lost, and profited again for nearly three decades now, always shrinking it down to terms Main Street America can understand and profit or be saved from, making him one of America's most beloved and respected financial elder statesmen. I know his followers—and their posterity—are as anxious for Howard's take on the current economy and future trends as I am and welcome this, his latest, greatest work as much as I do.

This new book proves to me that, like a fine wine, Howard has only gotten better with time. Though I write and speak about wealth myself, Howard's insights here have given me some thought-provoking new perspectives to consider.

I am intrigued by Howard's unique concept of the Safely Prosperous versus the Really Rich. Howard would know: He has been both. I like how he has divided his book into two sections, the first dealing with becoming Safely Prosperous and financially secure by avoiding stupid money and investment mistakes and the second dealing with how to make the leap beyond Safely

Prosperous to Really Rich by taking the right carefully calculated risks. I've never read a book that so accurately outlines these two clearly defined paths.

Howard's brilliant concept that the roads to prosperity and riches are very different is liberating, and the true stories that illustrate this point are engrossing and compelling. I was especially moved by the story of Howard's father. The open book he has made of his life is unprecedented. In most financial books, the author would never do what Howard has done: recount with unflinching honesty the big mistakes he has made over the years so readers can avoid the same stumbling blocks and pitfalls. Only a very secure man would have the guts to do that.

I want to share a very personal experience with Howard. In my books and seminars, I talk about the down times in my career. In 1986, when my seminar company closed, I was devastated and embarrassed. Howard, who was enjoying great fame and fortune at the time, took time out of his grueling schedule to write me a personal note that read, in essence, "You'll be back and even stronger next time." That vote of confidence from a man of such stature greatly encouraged me. And he was right: I went on to build two more successful businesses and to write four more best-selling books.

Recently I was seriously injured in an automobile accident. When Howard learned of it, he immediately called my business partner, offering his love, concern, and help. That's the kind of man Howard Ruff is: brilliant at reading and analyzing and profiting from the markets, good and kind and generous to others.

I hope this book is read and applied by millions of people so they can become Safely Prosperous or Really Rich. Although not always easy, the road map Howard has laid out is clear and simple.

Acknowledgments

I'm surrounded by a veritable sea of friends, associates, and role models who have influenced me, taught me, and contributed to my personal and professional life and this book. First, there is Kay, my most recent wife (49 years and still counting). She is the stabilizing anchor in my life, and the only person in the world I'm afraid of—for fear she might be disappointed in me. As the mother of 13 children (four adopted) and numerous foster children, and grandmother of 63 (and counting), she is the quintessential earth mother. When I introduce her as Old Granny Ruff, audiences gasp, as her timeless beauty makes that the ultimate irony. She is the role model for all supportive wives.

Then there are our offspring who read this manuscript and made priceless suggestions, always looking for indications that I might be too full of myself.

Joann Allen has been my assistant for 24 years. Not only has she kept track of my schedule and managed my day-to-day personal finances, she would fall on a grenade for me. She has been a priceless contributor to this book, formatting, proofreading, and offering important insights.

Peg Fugal is a one-woman advertising agency, and was my muse at an important juncture as this book was taking form. Tom Lipscomb was the president of Times Books, and the publisher of *How to Prosper During the Coming Bad Years* in 1976. He saw its potential right off the bat, and his brilliant insights and marketing strategies helped turn it into the biggest-selling financial book in history. I again turned to him when this book was in the early development stages, and he immediately saw that I was on the wrong track. That painful counsel led me to many of the decisions that made this book what it is.

There are so many people to thank that I'm sure I will miss some, and to them I offer my apologies. There's W. Cleon Skousen; Jim Cook; Fran Perry; Terry Jeffers; Senator Orrin Hatch; former president Ronald Reagan; Neal Blair; Art Linkletter; Gary North; Jim Blanchard; my courageous mother, Rena Ruff; J. W. Marriott Sr.; Ezra Taft Benson; Robert Allen; Judy Kimball; Paul Eldredge; Sandy Broadus; my brother, Jim Ruff; Jeff Carneal; Mark Stoddard; Jay Abraham; Mike Bayback; Dan Rosenthal; Jack Anderson; Art Laffer; Dave Nemelka; Richard Russell; Mark Skousen; and countless others.

My editor, Jimmy Vines, jumped at the chance to represent me, as he had grown up in a home where his dad was a Howard Ruff fan, and dinner conversation often centered around my latest newsletter or TV show. He has been a friend and calm counselor all through the complex process of negotiating the sale of the book to a big New York publisher.

Then there's my editor at Wiley, Executive Editor Debra Englander, who saw the potential of this book and decided to take a chance on an old guy whose last blockbuster book success was a quarter century ago.

Introduction

If you are going to take my advice, you have every right to know what kind of a guy I am, so a little bit of history is appropriate. If my life bores you, you can cut right to the chase and go directly to Chapter 1.

Let's start with some of the fun stuff. My life has been so full and unusual that I cannot resist reprinting here something I wrote for fun a few years ago, right after a neighborhood barbecue when we played a game where we had to recount things we had done that we thought nobody else there had done. That fun trip down Memory Lane started my memory running wild. Enjoy!

- I traded one spool of 8-pound-test monofilament fishing line to a chief of a village in the Amazon jungle in return for two monkey-skull necklaces, a blow gun and darts, a bow and arrows, and an anaconda snake skin. After consulting with my wife, Kay, I respectfully declined the chief's offer of a night with one of his four wives in return for a second spool.

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- I've walked through the dramatic story of the death of Rasputin, the Mad Monk, right on the actual murder scene in a restored palace in Leningrad.
- I've interviewed (with Jack Anderson) newly elected President Václav Havel of Czechoslovakia in Prague Palace while he was wearing Nike shoes and a UCLA Bruins sweatshirt. He had been a political prisoner until the Iron Curtain went down.
- I've visited the Forbidden City and the Great Wall in China, Machu Pichu, the Imperial Palace in Bangkok, and wild game preserves in Kenya and South Africa and have snorkeled on the Great Barrier Reef and watched great sea turtles lay their eggs and their baby turtles hatch.
- Oliver North, my Washington staff, and I persuaded Ronald Reagan to send Stinger missiles to the Afghan Freedom Fighters, which bogged down the Soviet army in Afghanistan for six years, which led to Soviet bankruptcy, which led to Gorbachev withdrawing Russian financial and military support from Eastern Europe, Cuba, and Nicaragua, which led to a breakout of freedom, which led to the crash of the Iron Curtain.
- I have sung solos with the Mormon Tabernacle Choir, the Philadelphia Orchestra, the National Symphony, and on the Ed Sullivan Show. I also performed in, conducted, or directed hundreds of performances of Gilbert and Sullivan operas; became deeply involved with the Utah Lyric Opera society as a performer, director, and general manager; and was a church choir director at age 16.
- I had my own national TV talk show and daily two-minute radio commentary in more than 300 markets.
- I was called a liar in an angry speech on the floor of Congress by Congressman Steve Neal of South Carolina, and was denounced by Pravda, Tass, and Soviet-controlled Radio Kabul as a "radical reactionary."
- I once refused a phone call from an angry President

Ronald Reagan. He swore at me, and then sent me an unsolicited, personally autographed portrait as a peace offering.

- A ruffled Jimmy Carter succeeded in knocking 50 stations off my radio syndicate by threatening them with trouble at license renewal time if they didn't cancel my show.
- I married a celestial woman, Kay. We've been through thick and thin (I used to be thin) for 49 years, probably because we have one thing in common: We're both in love with the same man!
- We have given birth to nine children, adopted four teenagers, and helped raise 18 foster children—and endured the accidental death of one child.
- I broke up an orphanage run by American pedophiles in Bangkok, which resulted in jailing them and caused an international incident between ABC, me, and the Thai government. I set up my own orphanage to take care of the children in Bangkok.
- I was on *Donahue*, *Good Morning America*, *Today*, *Merv Griffin*, *Dinah Shore*, *Oprah*, *Regis and Kathy Lee*, *Crossfire*, *PBS Late Night*, *Nightline*, *Charlie Rose*, *The McNeil-Lehrer News Hour*, *Wall Street Week*, and hundreds of local radio and TV talk shows, many of them multiple times.
- My 1977 book topped the best-seller lists for two years and was the largest-selling financial book in history—3 million copies!
- I have had dinner with Chiang Kai-Shek and Madame Chiang; the Secretary to the King of Denmark; and President Syngman Rhee, the father of modern Korea.
- I sang *The Star Spangled Banner* at the White House numerous times as a soloist for the Air Force Band and Singing Sergeants.
- I sold 100,000 copies of an album, *Howard Ruff Sings*, with the Osmond brothers and the BYU Philharmonic and A Cappella Choir as my backup groups.

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- I caught a piranha in the Amazon and ate it (poetic justice?).
- I've owned nine airplanes, and have logged 3,500 hours as "pilot in command."
- I was forced into bankruptcy in 1968 by a newspaper strike, and then paid off \$500,000 (plus interest) in debts from which I had been legally discharged. It took me 12 years.
- Evelyn Wood personally taught me to read 3,000 words per minute, and I then developed the marketing and advertising which made her famous.
- I cruised the Mediterranean with Art Linkletter.
- I took over Madame Tussaud's Wax Works in London one night for a private party for my subscribers, and Kay and I flew to Ireland just to spend a weekend in a castle with Elizabeth Taylor. Unfortunately, Taylor didn't show, so we spent a weekend in a castle in Ireland *without* Elizabeth Taylor.

Whenever I think I've accomplished a lot, I just remind myself that when Mozart was my age—he'd been dead for 38 years.

Now let's get serious.

HOW I LEARNED WHAT NOT TO DO

I was born with a wooden spoon in my mouth. My mother was widowed when I was only six months old (there's an important lesson for you in this full story in Chapters 2 and 12). We were poor, but I didn't know it, because in the depths of the Great Depression everybody else was poor too. We were actually too poor to afford a father. My Mom took in sewing to feed me and my older brother, Jim. By the time I was nine years old, I knew what I wanted to be when I grew up. A writer? A financial advisor? A prophet of doom? None of the above! I was a really good boy soprano, and I knew I wanted to be a singer on Broadway or at the Met some day.

When I was a pre-adolescent during World War II, we lived in Reno, Nevada, and I became a member of the Victory Boys, a group of boy sopranos. We gave patriotic programs all over the state of Nevada. That's when I found what I loved the most in the whole world—applause!

When I was 13, we moved back to Oakland where my voice changed abruptly from soprano to baritone, so at age 16, I joined a San Francisco musical-theatre company and also sang in San Francisco's famous opera clubs for \$10 a night and tips. We would sing operatic arias and duets by request from 9:00 P.M. to 2:00 A.M. It was really just a smoke-filled bar, but I was doing what I loved to do.

When I was 18, my voice teacher told me she had arranged for a full-ride scholarship to the Curtis School of Music in Philadelphia. Curtis was considered on a par with Julliard, and could be a very important step on my road to the Met. But when I told my mom, she threw a big monkey wrench into the works: "But you are supposed to go on a mission!" It was expected that young men from practicing Mormon families would volunteer to leave home for two years and teach the gospel to potential converts. I didn't want to go because I knew that my Curtis scholarship would be toast.

After a period of intense spiritual inquiry, I finally made the hard decision that, unbeknownst to me, would change the whole direction of my personal and professional life. I decided that if I served the Lord, He would take care of me, so with blind faith, I launched out into the dark and decided on the mission. They sent me to the heathens in Washington, DC, and not only did it jumpstart my lifelong interest in government, economics, and politics, it was where I first heard the Air Force Band and Singing Sergeants in a Sunday night concert on the Capitol steps, which would change my life forever. I was also befriended by the two senators from Utah, Arthur Watkins and Wallace Bennett (the father of Utah's present senator), and J. Willard Marriott Senior of

hotel fame. We had had long discussions about life, business, and the issues of the day, and I began forming my economic, business, and political opinions. I attended the Missionary School of Hard Knocks—on thousands of doors—and learned one of the great lessons of life that every salesman and marketer must learn: how to live with rejection and failure and keep bouncing back day after day. It was a tough but immensely satisfying and character-building experience, and I was sorry when the mission was over.

After my mission, I went to BYU to continue my musical education. When I ran out of money after my junior year, I went back to San Francisco, where my mother now lived, to make some money so I could go back to school, singing in the opera clubs by night and selling Chryslers by day. Then, unexpectedly, I was reclassified 1-A in the draft and ordered to report for induction into the army. I remembered the Air Force Singing Sergeants, called the Pentagon to get their phone number in Washington, DC, and was given the number of Col. George S. Howard, Chief of Bands and Music for the Air Force, so I called him. He told me he had an opening coming up for a new baritone soloist, but wouldn't be in California for six months, so I told him, "I'll audition in Washington next Wednesday."

I borrowed \$150 from my big brother, flew to Washington, auditioned, got the job with a letter to prove it, and enlisted in the Air Force. After only three weeks of basic training, I was ordered to report to Washington to go with the Air Force Symphony on a tour of Iceland and Scandinavia as soloist and announcer, so I called the lovely Kay Felt in San Francisco and rather arrogantly informed her we would be married in Salt Lake City on the way to Washington the following Monday.

Fortunately, she couldn't think of any good reason why not, so we were married on schedule, and Kay Felt became Kay Felt Ruff (when she realized what her name would be, it almost killed the marriage). She has been the spiritual and nurturing center of

my life and family, and our numerous kids (twelve living, including four adopted as teenagers) and grandkids (63 at last count). All adore her—and so do I.

I traveled all over the world with the band, meeting and in some cases having dinner with such historical figures as Chiang Kai-Shek, Syngman Rhee (the founder of modern South Korea), and assorted prime ministers and royalty on three continents and 20 countries. We also toured in 48 states. I was having an amazing educational experience, while Kay was at home having babies.

But I wasn't really an absentee father. Being a Singing Sergeant was a government job, so when we weren't on tour (we were only gone about 15 weeks out of the year), we only had to report for two hours a day for rehearsals. So I got a job as a stockbroker, continuing my economic and financial education, and spent a lot of time at home, helping Kay with the kids and learning to love fatherhood.

When my four-year hitch was up, we moved to Denver to work for my broker/employer, stumbled across Evelyn Wood Reading Dynamics, bought the Denver franchise and then the Bay Area franchise, and launched my business career, teaching the world to read faster and more efficiently. I learned I had valuable gifts as a marketer, writer, and public speaker, but I was also laying the foundation for my first big learning experience—a business failure!

We had had eight glorious years, with more than 10,000 students in the San Francisco Bay area. I wrote the ads and designed the marketing for all the nationwide franchises, and became the protégé of Evelyn Wood, who taught me how to read over 3,000 words per minute, a life-changing skill that has served me well ever since. We taught law students at the University of California and Stanford, high school and junior high students, and businessmen how to read more rapidly and efficiently and both enjoy and absorb more from their reading. And as the money was rolling in, we spent it. We gave money to the

Oakland Symphony, and I bought Kay a \$1,000 designer dress so that when we had our picture at post-concert receptions on the society page, she would look great. In the meantime, our family was continuing to grow, and Kay bore more much-loved and much-wanted children.

However, I was making the biggest mistake of my life to that date, one that is the genesis of Chapter 3 (although bigger mistakes would come later). Because I thought the gravy train would last forever, we didn't bother to accumulate any savings or cash reserves. We had good credit and used it. We spent our money as if there was no tomorrow—or, to be more accurate, I did. Kay expressed her concerns, which I discounted because I thought I knew better.

Then disaster struck. I had planned an eight-page advertising supplement to go into all of the Bay Area newspapers one Sunday. On Friday night a wildcat strike hit all the Bay Area papers, and the Sunday paper was never published. I had spent \$25,000 printing that supplement, which at the time seemed like all the money in the world, and we couldn't just keep them and use them at a later time because they were all geared toward specific demonstration meetings on specific dates at specific places all over the Bay Area.

I was in deep trouble. I didn't have any cash reserves, accounts payable began to pile up, we were up to our ears in hock and personal debt, and I was in arrears with my royalties. Finally the parent company, seeing an opportunity to grab off the business and resell it to someone else, abruptly canceled my franchise and notified the sheriff. My doors were locked and I was out of business. I went to work rich one day and came home broke, which ruined my whole day.

This forced me into bankruptcy, but Kay and I, prompted by some ethical counseling by local church leaders, decided that even though we had filed for bankruptcy, legally discharging half a million dollars in debt, we would not be right with our creditors

and the Lord if we didn't some day pay it off. So I made perhaps the most important decision of my life; I would eventually pay off those debts, which meant I couldn't just get a J.O.B.—I had to become rich again. That all happened in October 1968, and we had already been hit by a tragedy the previous June when our toddler, Ivan, drowned in our swimming pool. This was a devastating year, but I now know that sometimes the healing and correcting spirit of God can only enter us through our gaping wounds, and this spiritual process had begun at Ivan's death when we had to decide what we really believed, so we were ready to make the spiritual, financial, and emotional commitment to pay off half a million dollars in debt. It took us 12 years to pay for that dead horse, but we did it! This lesson from 35 years ago has had a profound impact on this book, especially the second half, as it illustrates two of its most important principles, including the principle that *the first step in getting rich is simply to decide to do it*, which is what I did.

In the meantime, we had taken in a teenaged foster son in the neighborhood who had become estranged from his family, and the word got around, so over the following years we were offered more than 18 children, mostly teenagers, who we took in for varying lengths of time. We eventually adopted four of them.

I began my business comeback as a distributor in the multi-level sales organization for a major manufacturer of food supplements, The Neo Life Company, which is still in existence today and is one of the honorable survivors of the multilevel marketing business. I quickly became its largest distributor and won all of the company awards for performance, and began a lifelong obsession with keeping up with the research and development of nutritional supplements.

About this time, I began to worry about what I saw as a coming train wreck for the economy. When I was in an airport, I saw a book whose title intrigued me: *How to Prepare for the Coming Crash* by Robert Preston. Thinking it was a way to stay safe if the

airplane went down, I bought it to read on the plane, but that wasn't the crash it was talking about. Preston advocated investing in silver and gold as a hedge against an inflation-induced economic crash, and for the first time my stock-market-oriented brain began to turn in that direction. I began to study the fundamentals of Austrian economics and the inflation that would lead to economic troubles and a resurgence of gold, and began to worry about what I believed the government was doing to the economy with its inflationary policies.

I also became convinced that there was a real possibility of a deep recession that could possibly turn into a depression, characterized by high inflation and unemployment, so I became a vocal advocate of an emergency food-storage program as a kind of family insurance program. After all, we had once lived on our stored food when the bottom had dropped out of our financial lives in 1968. This traditional Mormon practice grew not so much out of the church's theology as out of its nineteenth-century pioneer self-sufficiency culture. It was not an apocalyptic practice, but a very practical one, designed for just the kind of circumstances we had to face. This very prudent, risk-free piece of financial advice planted the roots of what would some day be the cause of my near-universal bad press.

I wrote my first book, a very bad self-published book called *Famine and Survival in America*, not realizing how powerful words could be. Rather than a carefully reasoned discussion of why you ought to have a food storage program as a conservative, prudent precaution against hard times for your family, it sounded more like a scream in the night. But to my amazement, as I began to do radio and TV shows to promote this self-published book, it caught on because people were scared of what was happening in the world around them as inflation was soaring.

In the book I promised to send a monthly update on the markets to book buyers, so I soon was sending out 5,000 monthly updates and going broke doing it. So I sold off my supplement

distributorship to finance a for-pay newsletter, which I called *The Ruff Times* to a chorus of sardonic jeers. But my gut told me that name was right for our times, so I launched *The Ruff Times* newsletter in June 1975, forecasting rising inflation, a falling stock market, and rising gold and silver prices. Was I ever right! At the time, gold was only \$120 an ounce and silver was under \$2, and they had not yet begun the spectacular bull market that would take them to \$850 and \$50 per ounce, respectively.

As precious metals and *The Ruff Times* took off, I decided I needed to write a manual for new subscribers because you couldn't reinvent the wheel every time you went to press. With no intention of publishing it as anything but a manual, I wrote *How to Prosper During the Coming Bad Years*. A member of my board of directors knew many New York publishers, so he persuaded me to go there to meet several of them, and four of them wanted to publish the book. I chose Times Books, a division of *The New York Times*, of all things, of which Tom Lipscomb was president. Tom was a brilliant publisher and marketer who believed passionately in me and the book and shared my philosophy, and he and I made publishing history together, selling 3 million copies!

By this time I had a syndicated TV talk show called *Ruffhou\$e*, interviewing a lot of interesting guests. One day I got a call from a radio syndicator who had been distributing Ronald Reagan's daily radio commentary. When Reagan decided to run for president, he gave up his radio show. I was asked to fill that slot because I was getting a lot of notoriety as the book hit the best-seller list and my TV show was gathering millions of viewers. So I created a two-minute daily radio commentary, which eventually was on some 300 stations, and *The Ruff Times* was on its way to the stratosphere—or so I thought!

As a public service to benefit from my high profile and high levels of trust from my like-minded subscribers, I founded Ruff-PAC, a political action committee, and Free the Eagle, a registered

lobby in Washington, DC, and began to fight for free-market issues and free-market-oriented candidates for public office. We were successful in some pretty important things, such as persuading President Reagan to get stinger missiles to the Afghan rebels. This forced the Soviets to fly so high they couldn't devastate the villages that were harboring the mujahadin, and stalemated the war. The body bags kept going home and the Soviet Union was on the verge of bankruptcy trying to support its functional equivalent of our Viet Nam. Eventually Gorbachev withdrew from Afghanistan; pulled back the Soviet Army from the Iron Curtain satellite countries; and stopped financial support of Cuba, the Sandinistas in Nicaragua, and communist insurgent groups in Africa; and the Iron Curtain began to crumble. I honestly believe we had something to do with starting that whole process.

In any event, *The Ruff Times* had become a publishing phenomenon. *How to Prosper During the Coming Bad Years* was #1 or #2 on the hard-cover best-seller list for months, and when the paperback came out a year later, it not only stayed at or near the top of the hardcover list, but was also #1 on the paperback list. It stayed high on both lists for two years.

Early on, the Prophet (sometimes spelled *Profit* by the media) of Doom title began to plague me. It seems that the hard-core survivalists were getting a lot of media attention. These extremists shared some of my economic views, but they believed that society would collapse completely, so they were building impregnable retreats in the mountains and buying lots of guns and storing food and hunkering down, waiting for the end. I had a chapter in *How to Prosper During the Coming Bad Years* about the advisability of a food storage program as a no-risk, prudent hedge against personal or public financial difficulties. There it was: guilt by association!

The simple-minded media saw me as a hook for critical stories about hard-core survivalists, and the Prophet of Doom title

was forever attached to me, despite my protests. Heck, the *How to Prosper* in the title, which is not exactly an end-of-the-world idea, should have been a clue to them that they were wrong.

THE BEGINNING OF THE END

Then, at the very peak of my notoriety and popularity, I made the most stupid and costly business mistake of my career, which I describe in detail in Chapter 14. I also continued to publish *The Ruff Times*, but to save money, I later decided to take it to the Internet. Another big mistake!

MY BIGGEST PROFESSIONAL FLOP

I believed that the Y2K crisis was deadly serious and could have devastating effects on the economy, said so in my newsletter, and even wrote a book on the subject. I was dead right about the seriousness of the problem, but for the only time in my life, I underestimated the willingness and the ability of government and industry to solve the problem in time to beat the deadline of January 1, 2000. Miraculously, they did fix it in time, due to the efforts of Senator Bob Bennett of Utah and others. On New Year's Day, 2000, when the dire consequences failed to materialize, I had egg all over my face. That book became my first big publishing flop. It wasn't that I had not analyzed the problem properly; it was that I didn't believe that they would have the will and the smarts to fix it in time. I was wrong big time!

MY BIGGEST TRIUMPHS

But it has not been all bad. There were many triumphs, but two that stand out.

Way back in 1975, when I started publishing *The Ruff Times*, I foresaw the coming inflation that plagued us for the next seven

years, analyzed correctly that it would cause a big boom in gold and silver, and recommended gold when it was only \$120 an ounce and silver when it was under \$2. Gold subsequently went to \$850 and silver to \$50 per ounce for a few days, and I published a sell order when gold was \$750 and silver at \$35. This angered and offended my subscriber base, who were mostly Gold Bugs, and they began deserting me as an apostate from the true religion of the Golden Calf. For many years since then, gold has stayed around \$300 and silver under \$5 per ounce (more about this in Chapter 9), and I was bearish on the metals until 2004.

I turned bullish on the stock market in 1983, mostly because of Ronald Reagan. I stayed bullish for several years, and did very well for my subscribers, but I started telling people to get out of the stock market about six months before it peaked in March 2000 and called the market an “unsustainable mania and a bubble.” This was right on the money, as March 2000 was the peak of the greatest bull market in history and the beginning of the greatest bear market in history. I’ve been on the right side of that market ever since, keeping people out of it and instead recommending 30-year T-bonds and 10-year T-notes, where there were big profits in 2000 to 2003. This has saved my readers untold millions of dollars.

In 1983 I was at the top of my popularity; my book was number one on the best-seller lists in both hard cover and paperback and on its way to becoming the biggest financial best seller of all time. My syndicated TV show, *Ruffhou\$e*, was showing in 350 markets, and my two-minute daily radio commentary was on 300 stations. My newsletter, *The Ruff Times*, had more than 175,000 subscribers. I thought I was a marketing genius, as all the direct mail pieces I wrote worked. My Washington lobby, Free the Eagle, and RuffPAC, my political action committee, were real powers in Washington. I had access to President Reagan and to any senator or congressman I wanted to talk to. I was famous, I was rich, and the world was my oyster. But just as for the