MANWARD*letter*

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Introducing the "Long Short" Portfolio: Why the Worst Financial Crisis in America's History Means It's Now or Never for America's Middle Class

Dear Reader,

I don't come with good news. Most readers will agree that the problem I'm about to describe has been a long time coming.

This nation's great fiscal mess has been studied by many. But few have come to the same conclusion that I have... that America's debt, her fiscal insolvency, and her addiction to government bailouts and intervention mean it's not time to just stick a toe in the financial waters... It's time to buy like hell.

At best, buying right now could be the greatest moneymaking opportunity in a lifetime.

At worst, owning the sorts of assets I'm about to outline could be the only way to keep your head above water when things start to get really bad.

And they will get bad. We're now at the precipice of America's worst financial crisis.

Here's how I came to this dire conclusion...

Failed Math

It all has to do with America's raging addiction to debt... and a question.

Why is it that the largest, most powerful nation in the world also owes the biggest debt in the history of man?

I'm sure you've asked the question. There are lots of ways to answer it. Incompetence. Greed. Ignorance. Desperation. Good luck. Bad luck. They're all fair, truthful answers.

But most mainstream economists would point you in just one direction. They'll say that the dollar is the world's reserve currency. And because of it, America has a unique status in the history books. We import enough oil and cheap stuff to plug the Panama Canal... and, in return, we export nice, steady dollars. When a glut of the latter hits the market, our only choice is to "repatriate" it by borrowing gobs of cash.

It's why China – with a stockpile of IOUs worth $1.2 trillion – is the largest foreign holder of America's debt.

The idea makes sense. It's in every economic textbook on the planet.

Unfortunately, those books fail to explain the full story. Like all good tales, this one has a twist.

And, good news for you, we're the only publisher dumb enough to print the idea of "war money" in our pages.

This is where things get interesting. Pay attention. You'll notice a theme.

The Full, Bloody Story

To truly understand the history of the dollar, America's debt and where it all goes from here, we must look at the wars we've fought. After all, the pursuit of money kills far more men than the pursuit of virtue and freedom. And as we've said before, war doesn't solve problems... It monetizes them.

It's an important idea as America embarks on what now looks to be its next endless war.

A quick look at what the nation has fought for – and who got rich from it – will tell us a lot...

First, of course, there was the American Revolution. We celebrate it as a fight for freedom... but that's only because it's dishonorable to shoot off fireworks to celebrate a victorious war for money. Plain and simple, England saw the colonies as a cash cow. And the colonies wanted that cow all to themselves.

They got it. And we get a grand lesson in worthless currencies...

The Founding Fathers amassed stashes of guns, ammunition and food to be traded for "Continental" dollars. Backed by nothing more than the notion of "future tax revenues," the Continental made amassing debt quite easy. By the end of the war, America owed the equivalent of more than $75 million to its creditors.

We printed and borrowed our way to freedom... and the fun hardly ever stopped.

Over the next four decades, the number would swell. The nation continued to fight in the name of money and creating wealth.

The Indian Wars, the war with Mexico – they were a fight for land. And land meant money and resources.

Then came the War of 1812 – the sort of fight rich men dream about.

With the war in full swing, the country was nearly out of money. That's when Treasury Secretary Albert Gallatin reached out to three of the country's wealthiest men.

Combined, they bought bonds worth more than $10 million. They held on to $1 million each... and sliced up the rest to sell to the nation's early insurance companies and banks (an idea that ties directly to the stock recommendation I have in these pages).

With the war treating them so well, they were surely sad to see it end. The poor picked up the guns... and the rich got paid the interest.

With that idea, Gallatin and his boys would have loved the Civil War. Big money was on the line. Government spending surpassed $2 million a day in 1863.

In 1843, prewar historians will note, the nation had just 20 millionaires. As the War Between the States raged... New York City had more than a hundred.

"Along with ordinary happenings, we fellows in Wall Street had the fortunes of war to speculate about, and that always makes great doings on the stock exchange," said one speculator of the time. "It's good fishing in troubled waters."

Legacies of War

It was about this time that many of the most famous names in money today became prominent. Names like Morgan, Chase and Vanderbilt... They all found that financing a war is great business.

Even the hot dog business was affected. Richard Armour made more than $2 million shorting meat prices as the war came to an end. He used the cash to start what became one of the largest (and most notorious) meat packing plants in the country.

You may have heard of one of the company's best salesmen... Dale Carnegie.

Today, the company is owned by Smithfield, which is now owned by a Chinese company.

It proves that all things money tend to come around in time. These days Smithfield is in the news because of America's war on COVID-19... and its new owners aren't too excited about how we're paying for it all.

But if folks doubt the millionaire-minting abilities of a good war, the world wars will erase all questions.

Things changed during these wars. By the Second World War, the nation was already a global powerhouse. It didn't need to fight to make money. It needed to fight to keep what it had.

World War II killed a lot of good men... and also made a select few very rich.

Boeing, Northrop, Grumman and Lockheed profited handsomely from the world's first major air battles.

Ford and General Motors set themselves apart from a bevy of competition in the industry. DuPont became a household name.

The Standard Oil Company of New Jersey (now Exxon Mobil) was the largest oil company in the world in 1941. It controlled 84% of the U.S. market and was a major player in one of the planet's most in-demand commodities... rubber. Its bank, a nod to a name above, was Chase.

The banks, in fact, had a grand ol' time during WWII. Our fight in the European and Pacific theaters cost a whopping $4.1 trillion in today's dollars.

Most of it was financed.

A Fresh Enemy

As Washington finished the war with a couple of hellish bombs, the nation came to the end of an era. Our dominance was asserted. We no longer had to fight for it. We had the military, the money (or at least the ability to borrow it) and the weapons to keep even the biggest of enemies at bay.

But that didn't stop us from keeping the war machine turning...

The next few battles mark a monumental shift in the American psyche and how the folks in Washington viewed themselves. The nation no longer saw itself as one that needs defending... but as one that needs to defend.

In Korea, we took a lot of money from the communists.

In Vietnam, we did it again.

From there, we launched the Cold War. It had all the spending and industrial fervor of WWII... without the need to storm a beach.

Then, after we all had our souvenir pieces of the Berlin Wall and the defense industry was bursting at the seams, we headed to the desert, where we fought for the people of Kuwait and then, many will say, for the price of oil. Washington gave the nation's banks a lot of money as the wars in the desert lingered on.

All told, America has spent more than $6 trillion in the Mideast and Asia since the 9/11 attacks.

Changing the Face of War

As we note that the amount of money spent across nearly two decades of war is virtually the same as what Washington just unleashed on the coronavirus, it's important to point out a major transition.

Somewhere among the sands of time, the war in the Mideast earned a new name. It became a global war against terror. Now there was no real enemy, and everyone became a suspect... Just ask the TSA.

The transition proved that when the war machine goes after a faceless, borderless enemy and stops defending freedom in order to pick a fight for the "safety of the masses," war never needs to end.

And the checks never need to stop.

That's why I'm not surprised to see Washington rushing to fight a new enemy – one that the press is eager to point out has already taken more American lives than the Vietnam War.

But it's not the death toll that has me writing you with such a dire message today.

It's the financial toll. That's the real battle we're embarking on.

America's latest war is already her most expensive yet. In fact, in just the first few months of 2020, Washington has spent more fighting the economic fallout from COVID-19 than it did fighting the Nazis in all of WWII.

So far, we've spent the equivalent of about 12% of the nation's gross domestic product (GDP) on this fight. And we're not alone. Countries across the planet are spending as much as 20% of their total annual output to protect the "safety of the masses" from an invisible enemy.

That's astounding.

It's why I'm introducing a brand-new model portfolio to these pages and coining a fresh term... the "long short."

A Long Time Coming

Like I said, the news is not good. I believe the trillions of dollars Washington is spending to "defeat" this enemy have pushed us over the edge. As the numbers I'm about to show you prove, America has gotten herself into quite a mess.

Keen fiscal conservatives have known for decades that America's spending habits would someday come crashing down. I'm not saying that day has come. (Stocks will likely continue their blistering, long-term run higher – a key piece of my thesis.) But it is time to prepare for what's ahead by investing in very specific assets. I'll show you how to do it and what to do next.

But first, here's why you need to do it right now...

It all has to do with this headline. You've probably seen it...

"Federal Debt to Exceed GDP for First Time Since World War II"

Even before the coronavirus brought the world's economy to a halt, America was on a collision course with its debt. In fiscal 2020, it was on track to have its first trillion-dollar deficit since 2012. And in January, the Congressional Budget Office warned the nation that its debt would hit 98% of its GDP within a decade.

Thanks to trillions of dollars of stimulus, plunging economic output and massive borrowing to keep the nation afloat, we will now exceed that level by this fall.

But what's happening these days is a whole lot different from what was happening during WWII.

To understand why, you must understand that there are two different types of debt. For simplicity's sake, we'll call them good debt and bad debt.

Good debt leads to increased productivity. It's like borrowing a bag of corn seed from your neighbor. It's good debt because each seed will produce an ear with hundreds of new seeds to pay off the debt.

Bad debt doesn't lead to anything good. It's like money borrowed to pay off gambling obligations or for hush money. It merely keeps us from getting in more trouble... at least for now.

The money borrowed to fight our enemies during the Revolution was good debt. It launched a great nation. The massive sum we borrowed to fight in Asia and Europe in the '40s was good debt too. It built tanks and factories and spurred massive innovations.

In fact, the numbers for WWII are phenomenal. During the fighting, 17 million civilian jobs were created. Wages surged by 50%. The nation saw full employment. Savings went up, and, despite common beliefs that the average citizen was rationing for the war effort, personal spending rose across almost all categories.

In all, the nation's GDP grew from $88.6 billion in 1939 to $135 billion in 1944.

It's the result of good debt. As economists, we would say that this debt has a multiplier of greater than 1. Every dollar borrowed led to more than one dollar in economic growth.

But the $4.5 trillion the U.S. Treasury will now borrow in this fiscal year is almost all bad debt. It doesn't lead to anything new. It just keeps us from sinking even further.

At the same time as Congress is borrowing, just about all the categories mentioned above – employment, wages, personal spending, etc. – are rapidly declining.

Clearly, this time is different. **Washington is borrowing only to keep us from drowning.**

This sort of spending cannot last. It's the stuff that leads to depressions and massive economic collapse. It can quickly spiral out of control.

The Great Assumption

For the folks who have long worried about America's fiscal fate – the so-called permabears – this is the catalyst they've been waiting for. We're one misstep away from a global depression. And yet... stocks continue to rise.

Anybody who's studied the nation's books knows we're now in far worse shape than we were in January... and yet dozens of stocks hit fresh highs over the last 90 days. Nobody is knocking at the Treasury's door demanding their money before none is left.

Why is that? How can a nation have $25 trillion in debt (that's almost as much as the $32 trillion worth of all private sector debt) and still be attracting capital at a growing pace?

It's because of something I call the "great assumption." It's perhaps the biggest economic gift of the 20th century... and perhaps the most destructive force of the 21st century.

Even during this coronavirus pandemic – when America is the country with the most deaths and perhaps the largest economic fallout – fearful investors are turning to the safety of the dollar. The value of the greenback has held strong, and demand for Treasurys has soared... even as the Federal Reserve has pulled trillions of dollars out of thin air.

As long as the world's reserve currency remains the American dollar and the world believes Washington will maintain its "whatever it takes" mentality, the world's excess capital will flow here.

Someday that will end. Someday we'll start a war we can't finish. But until then, the payoff for the folks who bet against (or go short, as we say) American prosperity is a long way off.

In fact, I now believe America's new war – the war to keep her economy afloat – may be her toughest yet.

And if it's like any of the wars this nation has fought over the last 244 years, it's time to buy like hell.

It's the "long short."

Over the long term, things will go bad. The "great assumption" will go bust. The shorts will win.

In the meantime, though, fortunes will be made. Our warlords in Washington and their financiers on Wall Street will ensure it.

We've seen it in every major war this country has faced. And this war to remain the world's financial dominator won't be any different.

It's not a stretch to say it's now or never.

You do not want to be in the bottom half when things come crashing down. It will be painful.

Inflation... Discovered

The key to avoiding that dire fate is simple. Like I said, it's time to buy like hell.

It comes down to a line uttered by Jay Powell in early May. "We're still putting out the fire. We're still trying to win. And I think we'll be at that for a while," the Fed chief said. "We won't run out of money."

So far, the Federal Reserve has bought government debt. It's bought corporate debt and mortgages. And, in its latest twist, it's buying bond-backed ETFs.

At the same time, the Treasury is cutting checks to help companies cover payroll.

It's sending bailout cash to companies hurt by forced closures. And it's stuffing the coffers of individual states so they can make good on their unemployment insurance obligations.

It's unsustainable. Washington added more than $1 trillion of new debt to its books in a mere 28 days.

But as Powell rightfully points out... the nation won't run out of money. It will merely print more.

That's scary. It means we must do two important things.

First, we must prepare for an inevitable wave of inflation. As a lover of economic history, I know that stocks are one of the very best ways to do it.

Take the collapse of the Weimar Republic. As the value of the German mark was plummeting... stocks soared. Owning stocks was one of the only ways the middle class avoided full destruction.

And if you think what happened in Germany after World War I is different from what's happening in the world today... you may be right. But let me share some startling numbers with you.

After Lehman Brothers famously crashed in 2008, the United States printed some $4 trillion in new money... and yet the nation's GDP growth has not climbed above an annual clip of 3% since. We have yet to reach the pre-crisis benchmark of a healthy economy.

By all measures, the economic recovery was anemic, and, by all but one measure, inflation was virtually nonexistent.

But all that money had to go somewhere. And that's what takes me to that one surefire sign of inflation... the stock market.

Since the lows reached in 2009, the S&P 500 climbed by more than 290%. The rip-roaring stock market earned the title of "the most hated bull market of all time."

It defied investor logic. Stocks soared even as data suggested things were far too overpriced. It caught countless investors sitting on the sidelines... duped into thinking they were too late to join the party.

If the government's experts say that inflation is nonexistent, simply show them a chart of the Dow. That's where they'll find all those trillions of dollars Washington pulled out of its magic hat.

Now you know why stocks have rallied over the last two months despite obscene economic data. It's a response to record-shattering balance sheet expansion at the Federal Reserve.

That's why it's critical you buy stocks. It's the only way to protect the long-term purchasing power of your money.

But what stocks to buy? Much of that freshly printed money will flow to the companies that Washington believes will help it win this war.

There's an easy way to find these companies. It hinges on a notion I mentioned above... the number we economic wonks call a **stimulus multiplier**.

The math is quite clear when it comes to this idea. The poorer the recipient of stimulus cash, the higher the multiplier.

Take tax cuts, for example. They rally the stock market for obvious reasons, but making dividend and capital gains tax cuts permanent added only $0.37 of economic juice for every dollar cut. After all, much of the money that would be going to Uncle Sam is simply saved for a rainy day.

But extending unemployment benefits has a much bigger effect. When it comes to sending money to those out of work, every dollar spent has a multiplier of 1.64. Increasing food stamp budgets stimulates $1.73 for every fresh dollar spent. And infrastructure spending has a multiplier of 1.59.

Washington knows this. It knows that companies that can save their money will. It knows that Americans who have the luxury of investing their excess cash will. And it also knows that saving is not a luxury for a growing class of the population. For these folks, money goes straight from the mailbox into the economy.

But here's the thing... It doesn't do those folks a whole lot of good. It doesn't raise their job prospects. It doesn't get them fresh training or hopes of boosting their lot in life. Nope. It goes from their wallets almost directly to one of those "too big to fail" names mentioned above.

It's a beautiful scheme. Perhaps the ultimate form of wartime propaganda. It works so well, it now has the majority of polls showing Americans want more of it.

It can't last forever. No war can.

But while the battle rages, it's a heck of a time to make some money.

We'll add the best moneymaking opportunities to our new Long Short Portfolio. These won't be sexy, get-rich-overnight opportunities. But they will build immense wealth. And more importantly, they're the safest moves we can make while the nation is at war.

It's time to build up our war chests.

The future doesn't look rosy. It's time to play the long short.

THIS MONTH'S STOCK PICK

Andy Snyder has made his followers rich. After leaving one of the nation's leading brokerages, Andy decided to take his wealth-exploding advice to the masses. Using his nearly two decades in the investing business to create award-winning model portfolios, he provides clear and easy-to-follow guidance on the best stocks to invest in each month in Manward Letter.

A 119% Surge Proves This Highly Profitable Company Is America's Newest and Biggest Arms Dealer

I've got my thumb on the very best "wartime" stock to own as America fights for her fiscal life.

It's not hard to see who took the spoils during America's great wars. During the Civil War, it was the bankers. During World War II, it was the industrial giants. During the decades-long fight in the Gulf, it was defense companies, Big Oil and Washington's favored contractors.

But America looks far different than it did in the 1940s or even at the start of the 21st century.

It's no secret that we no longer have manufacturing superiority. The companies leading the stock market higher these days make a lot of money... but don't make a lot of stuff.

Google... Facebook... Netflix... even Apple...

They deal with data and intellectual property, not old-fashioned iron and steel.

That trend will not only continue but also strengthen. It's the result of bad trade deals, a huge push for expensive college education and a strong dollar that makes imports unfairly attractive.

None of those ideas is going away. It's why the war we face today won't be fought with mechanical might. It will be fought with financial weapons.

This is a war to keep America No. 1 in the world of money. Therefore, it will be fought with money.

That's why I want you to buy shares of a company that is poised to be one of the biggest beneficiaries of the battle ahead. It's a behemoth in the world of money.

And yet, like Netflix, Google and Facebook, it doesn't produce anything tangible. Like these other billionaire makers, it makes its money in the rich world of data, intellectual property and products that others depend on to make their businesses better.

Bombs Away

Get this. The financial meltdown we saw in March may have slashed stock prices by 30% and more... but it wasn't all bad news for Wall Street. In fact, the companies that form the backbone of the nation's financial trade are sitting on a windfall thanks to the crash.

Trading volume has surged. Despite all the bad news surrounding the economy and markets, investors have surged into the markets.

TD Ameritrade saw 608,000 new accounts started in March. Robinhood saw a spike of more than 50% in time spent on its platform. And E-Trade saw a surge of over 363,000 new accounts last quarter... and almost all were retail traders.

It's good. It shows that thousands of folks see the buying opportunity in front of us. They know that it's now... or never.

As several trillions of freshly printed dollars are now flowing through the economy, these folks have a vital weapon in their arsenal. They have access to the spigot that's about to start spewing profit potential.

But like I said, not every stock will be a winner. Far from it. Bankruptcies are about to hit record highs.

That's why I'm going back to my roots on this premier addition to our Long Short Portfolio. I started in the financial business by studying volume anomalies and the rationale behind them. And I've spent much of the last two months using many of the skills I honed over the last few decades.

They've been extremely useful... especially as trading volume has crushed one record after another in recent weeks.

The New York Stock Exchange saw record trading volume in March. Equity trades surged by 70% in April.

The Chicago Board Options Exchange announced that it recorded 200 million options trades in April – up 45% from a year ago.

And **CME Group** (CME), a leader in futures trading and derivatives contracts, saw its average daily trading volume surge by 119% year over year. Its flagship E-mini Equity Futures saw a whopping 1.7 million contracts change hands each day.

It's not a surprise. This company's products are the weapon of choice in America's latest war.

Ground Zero

Just as Google creates a hub for folks to do business on the internet, CME Group serves as a critical gathering point for investors to do business in the world of finance.

Most folks have never heard of CME Group, although one media outlet recently called it "the most powerful company you've never heard of."

The group has several brands working under its umbrella that you may have heard of.

There's the Chicago Mercantile Exchange, the New York Mercantile Exchange and the Chicago Board of Trade. They're the biggest names in everything from corn and soybean futures to currency swaps and, especially these days, interest rate derivatives.

In a world where money is printed out of thin air, bundled into all sorts of exotic products and forms of debt, and traded by the big houses on Wall Street... CME Group is to the financial world what Facebook is to social media.

It's at the center of it all.

And as the nation embarks on what looks to be a long battle for financial survival using a "whatever it takes" mentality, owning a stake in CME Group will be like owning a gunpowder maker in WWII.

As I mentioned, all the major commodities trade through the company's platforms. Corn, soybean and cattle futures... crude oil and natural gas... gold, silver and copper... dollar, yen and pound futures. These are all very active contracts these days.

The company gets a cut of every trade.

But it's not just standard commodities that flow across the company's exchanges. In fact, it's the more exotic products that have me the most excited... especially right now.

With risk at record highs due to soaring volatility, Depression-era unemployment, government intervention and flat-out media mania, the world's biggest investors (pension funds, banks, insurance companies, etc.) are searching for novel ways to invest.

They turn to CME Group and its products to get the job done.

A Financial Flak Jacket

Take a headline that hit in early May, for example.

CME Group is pushing to restart trading of once-popular 3-year Treasury notes.

At $17.2 trillion, the Treasury market is now twice as large as it was 10 years ago. Volume for futures has tripled.

Treasury derivatives are one of the most efficient ways for big investors to hedge their risk.

That's why the company is pushing to bring popular products back to market... like 3-year Treasury note futures, which it believes will bring even more volume to its platforms.

As the Fed toys with the idea of expanding and contracting its balance sheet, said CME Group's Agha Mirza, "We found ourselves at a juncture where there were not just one or two, but multiple reasons why some of our clients are interested in us reintroducing the product in a way that's relevant to today's market."

That's key. In a war like this one, it's no different from a general marching up to a bombmaker and asking for several different types of bombs.

Each battle needs a fresh weapon. And CME Group offers an arsenal to choose from.

As we prepare for a long, nasty war that is bound to change the fate of America's finances, owning a stake in this company makes you a winner no matter who ultimately claims victory.

It's the ideal stock to be the inaugural entry into our brand-new Long Short Portfolio.

Action to Take: Buy shares of **CME Group** (Nasdaq: CME) at the market's price. Because this is a long-term position based on the eventual unfolding of volatile, unpredictable events, we will not use a trailing stop. Do not put more than 5% of your total portfolio into the position.

Mark Ford is an icon in the realm of wealth and business. And now he's sharing with Manward Letter *readers all the wealth-building secrets and investing strategies needed to build lasting wealth. His common-sense advice has the power to change the lives of everyone who takes it.*

Learn More, Make More and Achieve More With a Mentor

By Mark Ford

Editor's Note: *As we focus on building our war chests and making it through the nation's latest battle, we realize our Connections are more important than ever. We need to keep not only our loved ones close, but our other Connections as well. They can help us weather financial storms and build the life we want to live.*

This month's essay from Mark gets right to the heart of that... and the heart of Manward's mission. Our Connections play a huge role in helping us achieve more and be more fulfilled. Whether you're 18 or 80, his advice on how to make valuable Connections will pay dividends in your life.

A man looks back on his life and says, "I wish I knew then what I know now."

It can take a decade or more to become the successful person you want to be, but you can shorten your learning curve – even drastically curtail it – by using a mentor.

With the advice, experience, and support of an experienced person in your life, you can avoid the most common mistakes you are likely to make. You overcome the stickiest problems and find shortcuts to success.

It doesn't really matter your age... where you are along your career path... or if you've left the rat race altogether – getting yourself a good mentor will be enormously valuable for you.

A survey commissioned by the Elliot Leadership Institute at Johnson & Wales University confirms this. For this particular study, researchers surveyed senior executives and middle managers in the food service and hospitality industry about leadership competencies.

What they discovered was that leaders who had been mentored felt the experience invaluable. They said their mentors helped them build all kinds of leadership skills, including decision making, strategic thinking, planning, coaching, and effectively managing others.

I've often talked about the mentors in my own business life. From Leo, my first post-college boss, I learned the importance of persistence and dogged determination. Leo once had me call Honda Motors more than 100 times to convince them to give us a new engine after the one we had died (from lack of oil).

We hadn't a single, sensible argument in our favor, but that didn't stop Leo from pushing me. Finally, after I got all the way to the top, the Honda executive leadership decided they had wasted too much time on us and gave in.

I didn't feel good about getting something we didn't deserve, but I never forgot that lesson in persistence.

From Joel, my second major mentor, I learned a great deal. The first lesson he taught me – by firing the lady who wanted to get me fired – was that a good leader needs to surround himself with the strongest people he can find.

Another lesson I learned soon thereafter had to do with the fundamental nature of business.

"Until you make a sale," Joel explained patiently, "nothing else happens."

From Bill, a client, partner, and part-time mentor, I discovered – relatively late in my career – two important business secrets that have made me a better leader.

For one thing, I no longer feel compelled to solve every problem put at my feet. I've watched Bill ignore countless squabbles and come out much the better for it.

Before getting involved in a dispute these days, I ask myself, "Can these people eventually come up with a satisfactory solution themselves?" If the answer is affirmative, I do nothing.

Thanks to Bill, I'm also now a big believer in product quality.

Having mastered the secrets of selling through my relationship with Joel, I tended to underestimate the importance of the product. I was one of those marketers who actually wanted to sell snow to Eskimos.

In working with Bill, whose sole focus is always on quality, I've seen how much better a business becomes when you stress quality.

You probably have no idea what you need to learn to make the next leap forward in your career or in your life. But someone who's been there and done it before does.

Getting the help of that person will make a very big difference in your future.

How to Find Your Mentor

Let's use career growth as an example. Look around your industry to find five successful business leaders who retired within the past two to five years.

This two- to five-year time frame is important. If they've been retired for any longer, they could be out of touch. Any sooner, and they're not yet bored enough with retirement to miss thinking about work.

Write each of these five people a short letter expressing genuine admiration for their careers. Compliment them on specific achievements. Then ask for advice on your own career.

Offer an invitation to go to lunch. Or, if they're located out of your local area, ask for a 15-minute phone call.

And don't – I repeat, don't – offer them any compensation for their help... yet.

Odds are, at least one of the five will respond positively to your invitation and give you a little of their time. If you find that you get along, you've got yourself a mentor.

Making the Most of Your Relationship With Your Mentor

Once you've found your mentor, make a list of the goals you want to work on with him. What do you want out of the relationship? What do you feel you need to learn? What can this person best teach you?

Prior to your first conversation, outline what you want to achieve from your time together. And keep track of your progress. Are you achieving what you set out to do?

It's important that you set and monitor your progress because your mentor most likely won't.

How to Make Sure You've Got a Good Mentor

A mentorship is a relationship built on learning. Your mentor should be your learning coach: someone you can talk to and trust.

A good mentor should provide you with advice, feedback, and support. He should help you focus on your goals and give you direction that helps you succeed more quickly than you could alone.

A good mentor should help you learn the secrets to success in your field of expertise. (That's why finding one in your field is so important.)

Your mentor should offer advice on skills he's found valuable. He should counsel you concerning various opportunities in your industry and different paths to success.

According to an article in *Black Enterprise*, a good mentor won't tell you how to do your job. He should give you feedback and share his personal experiences, but not inundate you with lots of unsolicited advice.

And a good mentor shouldn't be making decisions for you that you could have made for yourself. "Your mentor is not a savior," the article says. I agree. If you're going to learn from your mentor, he can't come up with every single solution for you... nor should you expect him to.

Your mentor should act as a sounding board and as a trusted advisor and counselor. I like the way business writer Ron Yudd put it: "[Mentors] hold the flashlight so others can see the path."

Respect the Mentor-Mentee Relationship

To maintain your relationship with your mentor, you must recognize his value and reward him for it.

Keep in mind that the kind of advice he is giving you is likely to have the most profound effect on your career.

Although you can't measure the financial value of any specific suggestion (i.e., "Stop spending so much time on this fulfillment project. Get to work on improving your advertising."), you can bet that in the long run the effect will be very significant.

Show him you appreciate what he is doing for you. Tell him, in specific terms, what you have learned from him and thank him every time he meets with you.

Remember, the psychological reward of knowing he is helping you succeed is his primary reward.

That said, the time has now come to offer to compensate him for his time with money.

How much? That's up to you. Pay him no more than you feel comfortable paying him and no less than he thinks is fair. If you can't find a number in between those two figures, find another mentor.

One of my current mentors, Sid, gets a check of several thousand dollars every time I spend time with him.

On a per-hour basis, he's extremely well-paid. But for the help he gives me in making key leadership and wealth-building decisions, the $30,000 to $40,000 a year I invest in him is a bargain.

Consider Using Multiple Mentors

If one mentor is valuable, multiple mentors can prove to be invaluable. This makes enormous sense when you consider it. It gives you not only the wisdom of one person who has been successfully doing what he's doing for years and years but also the perspective of comparing the ideas and judgments of several experts.

Adopting a mentor or mentors requires setting aside your pride. Or perhaps something beyond that – the wisdom to understand that one's own ideas are not always the best ideas. I consider this to be a truly great secret of success. ■

Portfolio

The Everyman Portfolio

Company/Symbol	Rec. Date	Rec. Price	Curr. Price	Rating	Trailing Stop	Total Gains
ProShares Short FTSE China 50 ETF (NYSE: YXI)	Jan-19	$21.42	$18.41	Buy	$16.61	-13.16%

The Own What You Know Portfolio

Company/Symbol	Rec. Date	Rec. Price	Curr. Price	Rating	Trailing Stop	Total Gains
KBR (NYSE: KBR)	Apr-20	$21.45	$20.90	Buy	$16.66	-2.56%
Scotts Miracle-Gro Co. (NYSE: SMG)	May-20	$122.53	$145.08	Buy	$ 108.81	18.40%

The Long Short Portfolio

Company/Symbol	Rec. Date	Rec. Price	Curr. Price	Rating	Trailing Stop	Total Gains
CME Group (Nasdaq: CME)	**Jun-20**	**New**	**New**	**Buy**	**None**	**New**

Note: Because this is a long-term portfolio based on the eventual unfolding of volatile, unpredictable events, we will not use trailing stops. Do not put more than 5% of your total portfolio into these positions.

Last Update: 5/20/20. Gains include dividends.

Appendix

About the cover image:

In this 1942 photo, a soldier stands guard over a line of American P-40 fighter planes. When the U.S. entered World War II, before this photo was taken, the nation had already established itself as a global powerhouse. And even during the war, the economy flourished. Millions of jobs were created, and by 1944 America was the world's largest arms producer. It was making more than enough to meet its military needs. This photo is a striking illustration of America's might... and how even as the nation has gained power, it continues to keep the war machine turning. Because where there's war, there's money.

An Exploding Treasury Market

CME Group is relaunching trading of 3-year Treasury notes, as volume has more than doubled since CME originally launched the service in 2009.

Treasury futures profile	Today (2019)	Then (2009)	Change
Average daily volume (contracts)	4.4M	1.6M	181%
Average daily open interest (contracts)	14.7M	3.5M	320%
Average number of large open interest holders	1,511	672	125%
Number of liquid U.S. Treasury futures contracts	6	4	50%
Yield curve spreading via intercommodity spreads	23K spreads/day (129K legs/day)	0	

Source: CME Group

Further Reading

"The Founding Generation Showed Their Patriotism With Their Money," *The Atlantic*: https://www.theatlantic.com/ideas/archive/2020/02/founding-generation-showed-their-patriotism-their-money/606166

"The U.S. Has Thrown More Than $6 Trillion at the Coronavirus Crisis. That Number Could Grow." *The Washington Post*: https://www.washingtonpost.com/business/2020/04/15/coronavirus-economy-6-trillion

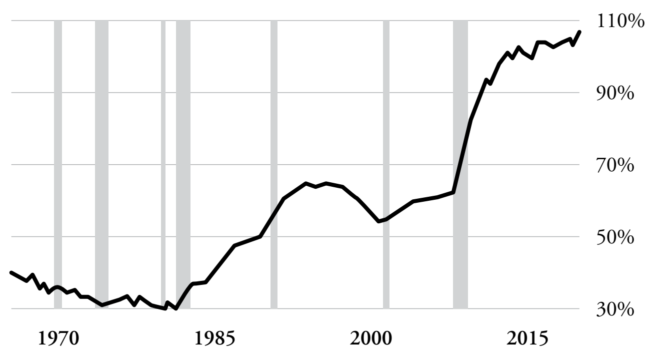
"Federal Debt to Exceed GDP for First Time Since World War II: Watchdog," The Hill: https://thehill.com/policy/finance/budget/492531-federal-debt-to-exceed-gdp-for-first-time-since-world-war-II-watchdog

"The Way We Won: America's Economic Breakthrough During World War II," *The American Prospect*: https://prospect.org/health/way-won-america-s-economic-breakthrough-world-war-ii

Total Public Debt as a Percentage of GDP

U.S. debt has skyrocketed since 2009 and has been more than 100% of GDP since late 2015.

U.S. recessions



Source: Federal Reserve Bank of St. Louis