

The Stock Market Is a (Legal) Ponzi Scheme

Stop depending on the stock market and take control of your money with these investment alternatives.

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Why is it that an overwhelming amount of American's believe that the stock market is the best place to invest their hard-earned money? When you really think about it, it's essentially a legal Ponzi scheme. The success of your investment depends on people coming in after you and investing at a higher price. As more and more money goes in, the prices go up. But when less money goes in, like when Baby Boomers retire or people pull out because they lose their jobs, the prices start to fall.

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Regardless if it makes the most sense financially, Americans continue to invest in a 401(k) because it seems like the easy solution. The money is taken directly out of your check, you receive a tax deduction and some employers match your contribution. So, what could go wrong? To put it plainly, your retirement depends on everyone else putting money into the market. Many people learned this the hard way during The Great Recession in 2008 when the stock market plunged, and people pulled their money out of the market. Some people went from preparing to retire, to continuing to work for years beyond the recession to attempt to make up the money they lost. It's time to stop depending on the stock market and take control of

your money. Consider investing in these alternative options to take matters into your own hands.

Real Estate

The government wants you to invest in real estate and will reward you for doing so with a plethora of opportunities to reduce your taxes including the bonus depreciation deduction, 20% pass-through deduction, low-income housing credits, opportunity zone benefits and more. While real estate isn't as liquid as the stock market, investors can enjoy less volatility, a passive income and the ability to gain leverage on capital. It takes time and more initial capital to invest in real estate, but when you learn how to virtually eliminate your taxes with real estate, you may find it to be a worthwhile opportunity.

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Oil and gas

The United States has been working to reduce dependence on foreign oil for years and, lucky for you, the government provides huge tax benefits to those who invest in oil and gas. There are two ways to invest that deliver the biggest bang for your buck: investing in exploratory operations or development operations. By owning a direct interest in the drilling operations through a general partnership or sole proprietorship, you can deduct close to 100 percent of your investment through intangible drilling costs, bonus depreciation on the drilling equipment, depletion deductions and more.

Agriculture

Investing in agriculture is another great way to diversify your portfolio. In fact, the United States allows a 100 percent deduction for the costs of running a farm including the cost of feed, seeds equipment and other operating expenses the year they're purchased. This long-term investment can be something that's kept in the family and passed down to future generations with no tax obligations now or in the future.

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In short, the government offers generous tax benefits by investing in assets that contribute to the economy. Invest in opportunities that can reduce your taxes for the long haul and put your money saved to work by reinvesting to creating long-term wealth.

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