

Smart Money: Is the government going to confiscate your money?

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Brad Brain: "I know that it can be hard to trust these days. Some people seem to have their own agenda, and conflicting information abounds." | Getty Images



Lately I have been fielding an assortment of enquiries from some apprehensive people. Some people are worried that the government is going to come after their bank accounts. Some want to buy cryptocurrency, even though they don't really know what crypto is or how it is supposed to help them. For some people, there is a deep mistrust of authority, a feeling of alienation and cynicism for the future.

And, to be totally honest, I am not sure I can help with that. You see, I can share what I know about things, but when fear, mistrust, and cynicism are more powerful than facts and evidence there isn't much to discuss.

But then we hear about Briane from Chilliwack.

As the story goes, "Briane is a single mom from Chilliwack working a minimum wage job. She gave \$50 to the convoy when it was 100% legal. She hasn't participated in any other way. Her bank account has now been frozen."

The problem is, Briane may not actually exist.

Whether she does or not, here is the point of this column. Some people are exploiting this fear and mistrust and apprehension and uncertainty, and sometimes it is with malice. What got me thinking about these things was recent trip down the YouTube rabbit hole, where I came across a video extolling the unsurpassed virtues of "infinite banking."

So, what is infinite banking? Basically, it involves using the cash surrender value of a whole life insurance policy as collateral for a loan. But that is not important right now.

What struck me was the way that the information was presented. The video starts by saying that the best investment that you can make is in yourself, and how the people that do well with this strategy will have a fundamental belief in their own abilities.

What a crock.

Your self-confidence might be watertight, that will not make a dubious scheme suddenly successful. Tax rules don't change depending on how optimistic you are. Realistic rates of return have nothing to do with whether you are a good person. The insurance policy doesn't know or care about your political viewpoints.

But this video conflates your self-esteem with the validity of their scheme. That's a fallacy, of course. Either the idea makes sense for you, or it doesn't. Manipulating you doesn't turn a bad idea into a good one. But that's how they get you in. After all, don't you believe in yourself?

Here are four things to watch out for that can indicate that something might not be the best idea for you, or that your emotions are crowding out rational thought, or that you are basing decisions on what you want to hear.

One: the Fear Of Missing Out. Sometimes people are worried that they are being left behind. They will want to get in on something "before its too late." FOMO can overwhelm the pros and cons of

the actual decision.

Two: the promise of big investment gains with no risk. You can have safety or you can have growth potential, but you are not going to get outsized returns with zero risk. That's too good to be true.

Three: high pressure sales tactics. You need to move quickly or the deal will close. You don't need to talk this over with your advisor. There is an urgency to make a decision immediately, or else.

Four: your questions are not answered. Professionals can explain things. Real investments come with documentation. If the answers to your questions are evasive, be careful.

I know that it can be hard to trust these days. Some people seem to have their own agenda, and conflicting information abounds. Maybe trust is harder to come by than ever. I am not trying to change your mind on any of that today, I am just saying be aware that some people out there are looking to exploit the fear, mistrust and uncertainty, and they are doing this because it suits their needs, not yours.

As for whether the government is going to confiscate your money, well they have always been able to seize assets that were involved in a crime. If you haven't been involved in a crime then you can probably relax. Even if "Briane" might be out her fifty bucks.

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