Creating
Accessible Economic Security
for everyone

the first step to everything else

Provide all Americans access to economic security? *Impossible!* No, it is not. This document explains a way to achieve it. A way that strengthens the nation — socially, economically, fiscally, and globally — and, perhaps surprisingly, opens many new opportunities for financial gain.

Pathfinder Strategic Services, a nonprofit organization, conceived and designed this solution. We will be implementing it initially in Philadelphia, then expanding nationally. The goal is to ensure every American has access to basic well-being: housing, food, water, safety, healthcare, education — and opportunities for financial growth. All while reducing costs at every level of government.

Many of society's problems stem from the inherent conflict between creating wealth and improving society. Our approach solves this conflict by merging these otherwise competing pursuits.

No single person or organization can fix our country's problems — we don't intend to. We're establishing the means by which every person, and every organization, can improve their piece of the country — without added cost — while creating new wealth. This story takes you through the underlying causes of our major societal and economic problems, and the costs of largely ignoring them. Meanwhile, massive efforts are poured into fighting the symptoms — effectively aiming water pistols at the tips of the flames. By the end of the story, if I've done it justice, you'll understand how the solution works … and why.

Phil Heenan

Our Economic Security Platform

the starting point

Every active participant in society, and those unable to work for genuine reasons, should have access to life's essentials: housing, food, water, safety, healthcare, digital connectivity, education, and training. These open the doorways to progress.

Access to essentials means a reliable livable income — or its functional equivalent — adjusted for location and personal circumstances — *without government welfare.*

Members of society share responsibility by working, caregiving, learning, or other contributions. Those able to work but not employed are placed in work of value to society. Those already working but underpaid receive livability supplements. Those unable to work are encouraged to contribute in ways they reasonably can. All forms of contribution gain access to the essentials.

As the economy adapts to new technologies and other changes, workers continue to receive a reliable livable income while reskilling and moving into new opportunities.

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Everyone Benefits:

- everyone can access economic security
- no added costs for employers or government
- government reduces welfare spending
- employers rewarded with new cost savings
- new wealth created — directly and indirectly

Achieved by making the money supply more productive and turning the gains into new wealth everyone can access.

No em dashes were harmed — or used against their will — in writing this story.

I did use AI for proofreading and editorial suggestions. At no point did it draft text or have authorship or editorial control, regardless of how many PhDs the toddler claims. The final wording and punctuation are mine and mine alone, as are any errors, and my occasional cultural placement of periods and commas outside quotation marks.

There's a Section Index at the end of the document, but let's get straight into the story …

Economic Mobility, Stability, or Security?

Every endeavor should start with a goal … the right goal. Leading up to and during the Federal Reserve Bank's Economic Mobility Summit in April (2025) in Philadelphia, there was a lot of discussion with people struggling financially about what the term *economic mobility* means to them. Traditionally it means upwards economic mobility — people and their offspring becoming financially better off over time.

But today, many Americans are falling behind. The basics of life — housing, education, healthcare — are becoming harder to get. Too often they're out of reach. Meanwhile, consumer luxuries have become more accessible. In most of those conversations, people said, "For me, economic mobility means *stability*." That's what they want. Their experience with economic mobility has been *a downward slide* — not moving up.

So, in the context of improving things, *what's the right goal?*

Think about people who are struggling financially, seriously struggling, every month, every week, most days, and nights. It's like being adrift at sea after being swept from shore by a rip tide or thrown off a ship like excess baggage that's no longer needed. If you're on a precarious make-shift life raft (think gig work), stormy weather and rough seas are things you *don't* want. They threaten your flimsy life raft. You're likely terrified of losing your 'home'. You want calm sheltered waters — you want *stability*. It's a basic survival instinct. Thoughts of relaxing at a resort with a pina colada in hand are not foremost in your mind. You just want to stay alive; keep your family safe and alive, quite literally. Your mind is completely absorbed in survival.

It's natural for people adrift in turbulent economic waters to want *stability*. Especially when they see millions of others adrift as well. All being swept further from any landfall. Most have lost sight of land. It's been so long since they've seen land, they've lost all hope of ever getting back to shore. Even forgotten what land looks like. Many were born at sea. They've never seen land.

While people praying for stability in such circumstances is completely understandable, that *does not* make it the right goal for improving things. Even worse, it's a false hope. Like being adrift in a North Atlantic winter and hoping for calm water and sunny days. It's unrealistic. What's happening with our economy started over fifty years ago, well before many were born. And there's no sign of the winds changing direction, even though the weather has recently improved a bit.

Those in a position to think about why this is happening know it isn't just some freak stretch of bad economic weather — they know it's the result of systemic problems. Complex problems, deep within our economic system. Our economic custodians are constantly working hard to manage these problems. Yet the underlying causes persist, unaddressed. For those caught up in our welfare system and dependent on it, *there is no off-ramp*. For most, there is no practical way to get back to shore.

That's why *the right goal* is to give everyone a way to get back to shore — to *create accessible economic security,* for everyone. That means being able to deal financially with whatever problems life throws at you without losing access to the basics: housing, food, water, safety, healthcare, and basic education.

Stability leaves people adrift at sea, still subject to the turbulent weather. Security is being on solid ground. We humans are land creatures — we may survive at sea, but we don't thrive there. We can only thrive on land, where we find *real stability*. But first you have to get there.

Creating accessible economic security for everyone seems like a really difficult task. But to believe it's impossible is a choice, not a fact. *Choosing any lesser goal is to choose defeat before even starting.*

This goal is different from what Americans are asking for, but in 2005 not even Steve Jobs knew we all wanted smartphones. The components of smartphones existed, but the first smartphone, the iPhone, hadn't been invented in 2005. We didn't know we wanted it until we saw it in 2007. Most people won't believe they can get to shore until they see *how* they can get there.

Creating accessible economic security for everyone forces us to address the underlying causes of our economic problems. The systemic causes. Any lesser goal lets us avoid dealing with these deep-seated, difficult problems, leaving us on our current path. And that's a path no one has any confidence in. No one.

Giving people a way to get back to shore is very different from bringing them back. Providing a way back — giving them the opportunity — 'access' — places the onus on them. Bringing them back is socialism, which isn't compatible with the dominant American psyche — individual responsibility with effort being rewarded.

Like it or not, the relentless drive for profit and wealth in the U.S. is the foundation of America's success — and its power on the world stage. Socialism is inherently in conflict with wealth creation. But improving society can be *combined* with building wealth to *create a whole new level of powerhouse*. One in which everyone can thrive. One that will lead the world to a better place — *by example*.

This is about everyone in America — those still ashore, those comfortably inland, and those fortunate enough, or who've worked hard enough, to live in luxury on the mountaintops. Ultimately, it's about all of us.

We're all part of the same economy. And it's not a mathematical construct — it's a living human organism. It isn't just off course — it's unwell. It's living on more credit than we can afford, and the costs are slowly killing us.

Wealth only exists in the context of society. America's economy and power are based on consumption. But our consumption is increasingly concentrated into a small, shrinking portion of our society — and America's power in the world is shrinking with it.

We all know America has serious problems — most everyone else knows it too. That's not to say other societies don't have bigger problems. But if we can't solve ours, what hope is there for anyone else? If too many of us end up at sea, living on mountaintops will lose all meaning — they'll become tiny islands.

This solution to our economic and societal problems provides very tangible opportunities *for everyone*, not just those at sea. Like the opportunity to come ashore, taking advantage of them is entirely optional.

The solution embraces the successful side of capitalism. It's based on effort, it rewards success, and it gives everyone a reasonable chance. It values human life, as well as wealth and power. It's inherently democratic — everyone has a choice. But unlike traditional democracy, your outcome is not dependent on the choice others make. It only depends on your choice.

Everyone can win with this. Everyone can succeed. It gives everyone the opportunity to get what they want — whether they're currently adrift at sea or on a mountaintop, or anywhere in between.

It's based on the same principles America was founded on, including freedom.

What you do, or don't do with it, is entirely up to you.

Problems … Opportunities … Life, or Death?

America spends $2 trillion per annum on social welfare and charitable donations to help people in need, excluding Social Security. This $2 trillion includes 25% of the federal budget. Around 38 million Americans live in poverty. $203 billion, just 10% of the $2 trillion, would move those 38 million people out of poverty and eradicate the U.S. poverty problem. This absurd situation is both a human and a financial travesty. It goes on year after year. That $203 billion won't go near getting every American ashore.

For all its disdain for socialism, America has a total net social spending of 30% of GDP, the second highest in the world. Much higher than the socialist Scandinavian countries, which spend from 22% to 25.4% of GDP. To the frustration of many, socialism has been proven to *not* work in the US.

We have a vast smorgasbord of other problems, including:

- The top 10% of our income earners account for half of U.S. consumer spending — the rest of us are shrinking into economic irrelevance.
- 10% of Americans are unbanked — *they have no access to our basic financial system*.
- Our total net social spending across the whole country, 30% of GDP— that's $8.7 trillion per year.
- We have a $36 trillion national debt, now growing by a trillion every three months — 37% of the global total national government debt, with just 4% of the world's population.
- $11.2 trillion of our national debt needs refinancing in the next 12 months — money we need to borrow to avoid defaulting on our 'national credit card.' While we keep spending even more on credit.

Our growing homeless population is another problem — our people most at risk — those furthest out to sea. For example, over 5,200 Philadelphians are homeless, with 80% being sheltered. The City's Office of Homeless Services has an annual budget of $130 million. Yet Philadelphia has vacant housing capacity for over 80,000 people. $45 million per year would *fully* house our most vulnerable at commercial rental rates. Philadelphia's top professional sportsman earns $50 million per year — one person … for playing a game. No judgment — just an observation. The contrast is telling. This situation is not unique to Philadelphia.

It's much cheaper per person to prevent homelessness than escape it, which creates a moral dilemma. If you have $10,000 which could either prevent five from becoming homeless or house one, what do you do? If you house one, the one in greatest need, five more become homeless. Prioritizing prevention is the right decision. Much effort goes into sheltering the homeless — providing temporary life rafts. Many are left trying to stay afloat — alone in the water, or being forced to move because they 'make the ocean look untidy.'

Are these problems — or opportunities?

> **In each of these problems lies the kernel of an economic opportunity. Problems, by their very nature, are financially inefficient.**

Joseph Stalin reportedly said, "One death is a tragedy; a million deaths is a statistic." Large organizations inevitably view people as statistics. Our country is our largest 'organization'. As problems become broader, we lose sight of, and feeling for, their human side. The numbers are like a map — they tell us *where* we are, not the *why* or the *how* — whether we're looking back or trying to move forward. Only the human side, the stories of the people, can do that. We mustn't lose sight of our economy being a living human organism.

And the human side of our national economy has quite a story to tell, even in statistical speak:

- 43% of our workforce does gig work — it will be over 50% in two years. 64% live paycheck-to-paycheck. 42% earn less than a livable wage.
- People short of money prioritize calories, convenience, and sweetness — not nutrition and protein.
- 6 in 10 American adults have a chronic illness, such as diabetes, cancer, heart disease — 4 in 10 have two or more. Our kids are sick too — 40% of them — driven by "poor diet, environmental chemicals, chronic stress, lack of physical activity, overmedicalization." It's not just our economy that's sick.
- With 4% of the global population, we have 25% of the world's prison population. And for all the bloodshed in the Civil War 160 years ago, we still have 1,091,000 people living in slavery — sex and labor trafficking, domestic servitude, child exploitation …

Human costs — tragedies — not statistics. And these aren't end points — many perish at sea. How many?

Leave aside COVID-19, routine medical conditions, and car crashes — *1.4 million Americans die needlessly every year*. Homicide, suicide, overdose, lack of healthcare, medical errors, diet, inactivity, tobacco, alcohol. America's avoidable death rate is *over seven times* the global war death rate during World War II. *Where's the outrage?* … Stalin was right.

People wanting stability, not believing economic security is possible, is despair. As one observer put it, *"The population isn't just broke, they're broken."*

All these problems, human and economic, are subsets or byproducts of our core global problems: (1) capitalism failing most people, (2) poverty and inequity, (3) democracy in decline, (4) climate change, and (5) societal conflict and war. *Epiphany! — all these problems share common underlying causes.*

At the risk of mixing fire and water, everyone is fighting these 'Five Fires' with the equivalent of millions of 'water pistols' aimed at the tips of the flames. But no one's dealing with the source — *shutting off the fuel!*

And all these problems — our big ones and our lesser ones — are tightly entangled and cross-pollinating. They feed off each other like roots tangled underground — invisible, but inseparable. Poverty drives illness and crime. Illegal drug sales and despair drive suicides. Both fuel more despair. People adrift at sea have no capacity to save the environment. Overwork lessens the effort parents can put into their kids. People get too tired and too overweight to exercise. They get sick. Healthcare investors get rich. People get poorer. Growing welfare increases the national debt. More money being 'printed' lowers the value of our money, lowering real incomes, increasing housing pressures. Homelessness increases. And so on it goes …

It's one big bowl of economic spaghetti — with massive human and financial implications.

This entanglement and the cross-pollinating effect of our big problems means: *we can't fix any of them without fixing all of them. And none of them can be fixed until the underlying causes are fixed*.

Until we fix the underlying causes, we can't fix any of these problems.
But once we do fix the underlying causes, we can fix all of them.
Take a moment and think about that.

On the opportunity side, we have some very powerful things to work with. America generates 25% of the world's GDP. And 30% of the world's consumer spending. 60% of the global stock market value is traded on U.S. stock exchanges. Ownership of company stocks is still the greatest wealth-creation mechanism our civilization has. Very powerful things indeed … if we can't … who can?

The Underlying Causes – Grandfather, Father, and Son

Blaming our institutions or economic custodians is easy — *and it's wrong*. We should be enormously grateful to them for having brought us this far. So, what's going on?

Think about how flight developed. It started with the Wright brothers and their first flight in 1903. Now flying is a normal part of life and accessible to everyone — or at least to those who are ashore. Aircraft today are a far cry from the canvas, wood, and wire plane of the Wright brothers. But as aircraft were pushed to carry more — higher, faster, and further — canvas, wood, and wire weren't up to the task. Aircraft progressively evolved into what we have today. The same way iPods led to smartphones.

We don't blame the Wright brothers — or the engineers, mechanics, and pilots who today make flying safer than driving — for the challenges of modern air travel. We should be grateful for all their achievements.

As we should for their counterparts in our financial systems. They facilitated virtually everything we have today. Every feature of modern society required money to create. Yes, we have problems, but the problems have come from 'flying higher and faster' than was conceivable 100 years ago, when the world had less than a quarter of its current population. Why are we hitting barriers in our economic 'flying' and in everything that depends on it? What's the big problem? What's fueling our never-ending fires?

> It comes down to the way money flows through society ... *and why*.

And it's a trifecta — there are three core money flows that combine to cause all our major problems.

Keep in mind: we created our economy — *what we created, the way it behaves, we can improve.*

1. The Son – Our Modern Basic Money Flow

The word "flow" may be the most important word in the English language. The word for our money — *currency* — comes from the Latin word *currere*, which means "to run or flow." The word *current*, as in an ocean current, has the same origin. It's no accident. The role of money, our currency, is circulation — moving through the economy, facilitating the exchange of goods and services.

> The flow of money is central to the intricate dance
> between society and the economy.

And what has become of this flow in modern times? 50 years ago, the notion of supremacy of the shareholder took hold in America — the idea that the *only* role of companies was to maximize shareholder wealth. The responsibilities that large corporations showed to their employees, suppliers, and communities paled into insignificance. Employees became 'human resources' and began being treated like any other resource — utilized to the maximum, with waste being discarded at the lowest possible cost. Executive pay embraced stock option plans to drive this new behavior — executives became seriously wealthy by ruthlessly embracing the new trend. Employee loyalty faded. Workers changed jobs with increasing frequency. It was the embryo of the gig worker economy — a mass migration of the workforce away from economic security.

The change didn't create our *modern basic money flow*, but it did speed it up. To the stage where it pushes workers and their families out to sea, and keeps most of them there. So, what is this basic money flow?

Inflation is when prices rise. Devaluation is the flipside of the same coin. When inflation occurs, our money buys less — it's worth less. It's *devalued*. While this goes on, more money is created to meet the needs of the economy … and the federal government. The government doesn't create new money; it just borrows more money … and more and more and more. It does so by issuing Treasury securities, or 'treasuries', a form of tradable debt.

When the Federal Reserve Bank, an entity outside the government, decides it needs to, it buys treasuries. And to pay for them, it simply creates new money — types a larger number on a computer keyboard. The new money goes to the bank of whoever sells them the treasury. The Fed currently holds $4.6 trillion — about 13% — of the U.S. national debt. (If individuals could create personal reserve banks, we'd probably have a much lower divorce rate.)

But most new money, the new money we actually see, is created by commercial banks. When they lend money — including when we buy stuff with our credit cards — they create new money. In simple terms, commercial banks only need to hold enough money and other liquid assets to meet their short-term needs. For lending, as long as they stay within the required boundaries, they simply create new money. Your 'money in the bank' isn't actually there — bank deposits are a 'promise to pay' — most of your money isn't actually in the bank.

This entire process creates a cycle. Inflation continually decreases the value of our existing money — new money is created — in part offsetting that loss. The new money gets into the economy through debt — commercial banks lending to loan-worthy customers. And there's the rub … It's hard to fill out a loan application if you're on a flimsy raft or clinging to a lifebuoy with seawater sloshing over the application form. Even harder to make the interest payments if you do happen to get a loan or credit card.

The whole process happens in slow motion, very slow motion, every second of every day. Most of the time it's so slow we don't even notice it — maybe the grocery bill gets larger. Most people — the vast majority — aren't aware of the existence of this process and what it's doing. The same way someone at sea who's lost sight of land, doesn't know the ocean currents are slowly moving them further out to sea.

Here's a way to make the impact of this *basic money flow* more understandable. Not everyone experiences the same real inflation rate — *your rate* depends on exactly what you buy and where you buy it. But over some period of time, the value of your money will reduce by half — it could take 20 years. Maybe in very high inflation times for some, as little as 10 years. It's shorter for low income people than high earners. Whatever this period is, it's the "half-life" of your money — the amount of time it takes to lose half its value.

Now imagine that instead of devaluation creeping along a tiny bit every second or minute, or every trip to the grocery store, your money *retains its full real value* until it reaches its half-life. Then, on 'Half-Life Day', or 'Devaluation Day', the value of your money gets cut in half — including what you earn from then on. On that same day, a massive number of 'new money' loans become available to offset the effective loss of half the money — the loss of half the real value of our money from that day forward.

But who gets these loans — this new money — to offset the loss of half the money? A loss dressed up as inflation and devaluation. Most of the new money goes to those who can most afford the loans — the wealthiest in society. The folks living in the foothills and on the mountaintops — the high ground. The top

10% of earners who now make half the country's consumer purchases.

If you're a low-income gig worker (close to half of us), you may be lucky enough to get access to a couple of thousand on a credit card — *at 30% interest*. As long as you're not in default on other loans. Or behind in healthcare bills. *And that 30% interest goes straight to the high ground*. If you're unbanked or homeless, you're 'nonexistent' — completely excluded from the economic game — *'player gone'*. Pushed through the bottom of the economic colander. But when Elon Musk bought Twitter, it took him just 6 days to borrow $13 billion at 8-12% interest. Not quite the 'application-form-on-the-life-raft' scenario. His interest payments stayed on the high ground.

The point here isn't about Musk, the person — it's the advantage — the automatic flow of money upwards — that comes with enough 'height above sea level.' Above a certain level, Devaluation Day flips from a day of great loss to *a day of gain*. For those on high ground, the current — the flow — works in their favor. But they should also be concerned — the elevation above sea level where this flip occurs is forever getting higher. The automatic increase is baked into the system. Stand still, and in time, you too will be washed downhill.

And there you have it — *our Modern Basic Money Flow* — the unseen, constant, automatic, flow of money from the bottom to the top. Our most recent addition to the underlying causes of our problems — the 'Son'.

If you're wondering why it's harder to buy a house, or pay rent on a decent apartment, or buy a car, or pay for healthcare ... or even pay for your family's food ... it's this constant, unseen flow of the real value of money from the bottom to the top — a current that keeps pushing the less economically relevant of us from inland to the coast, from shore out to sea. A current that's getting stronger and stronger.

This basic money flow essentially occurs *before* any real economic activity happens — upon it, everything else floats, drifts, sails, or sinks. When you're adrift at sea, the strength of this unseen current largely determines whether you can get to shore or not — and maybe whether you literally live or die.

How strong is this current, this unseen flow of money? The U.S. Federal Reserve System was created in 1913 to strengthen our banking system and help the economy, things it's done remarkably well. Based on the Consumer Price Index, our normal measure of inflation, a dollar today is worth just *3.1 cents* in 1913 dollars — an average half-life of 22.3 years over the last 112 years.

A cautionary note. CPI is an average across the entire country. The Bureau of Labor Statistics measures it. Every individual's 'real' CPI is different — for example, a homeowner with a fixed mortgage versus a renter facing annual increases. And the way CPI is measured frequently changes — usually in ways that lower it. It's kind of like continually changing the length of a mile to find a more appropriate way to measure it.

The value of the dollar used to be tied to gold — in 1913 it was fixed by law at $20.67 per ounce. Today gold is trading around $3,337 an ounce — an increase of 161 times. Gold is still ... just gold. It hasn't changed. Nor has an ounce. Based on gold, a dollar today is worth *0.62 cents* in 1913 dollars — one fifth of the CPI-based value — less than a penny (which we're now scrapping — it's no longer worth bothering with). By this measure, the average half-life of the dollar is 15.3 years, not 22.3 years. It's even less if you're in poverty. Measuring ocean currents is really difficult, so don't criticize the BLS. But however you measure it ...

Our 'Modern Basic Money Flow', the great unseen current, is very real, and very strong ... as is the pain, damage, and erosion it's causing.

2. The Father – Team Wealth vs Team Society

Dad's quite a bit older, just over 400 years old. (The kids nod quietly.) Dad's also much simpler than the Son's intricate economic dance. Dad's about the way we fund things — the different approaches used by Team Wealth and Team Society. And the conflict this difference creates.

Team Wealth and Team Society have always been competing, but 423 years ago something happened that changed the game. In 1602 the Dutch East India Company became the first recorded company with transferable shares — shares which could be freely bought and sold. Shareholders in the company received dividends based on the profits of the company's trading voyages. The initial purchase of the shares funded those voyages and their cargoes. The ability to buy and sell shares publicly played a key role in motivating the purchase of newly issued shares. People bought the shares because they could increase in value and there was a convenient way to sell the shares to access the increased wealth.

Since then, the wealth creation industry has powered ahead at a rapid rate. It's not only innovative in its own right; it funds and drives innovation in most aspects of our lives. In turn, this broader innovation drives wealth creation — it's self-fueling. It's the reason America has become the economic power — the global power — that it is today.

Shares don't just represent what a company is worth today — they measure the market's view of its *future value*. Today (as I'm writing this) Apple is trading at 33 times its annual earnings; Microsoft, 29; Amazon, 56; Nvidia, 47. Across these four, each dollar of net profit is valued at a weighted average of $36 — a *36-year multiple of current profits*. Share ownership is the greatest wealth creation mechanism on the planet. Every dollar not invested creates an opportunity cost — the loss of wealth that could have been made.

In contrast to Team Wealth's innovation and progress, the way we fund improvements to society hasn't changed in 5,000 years — since ancient Egypt. If anything … we've gone backward.

Society is funded by government spending — from taxes and debt — and by charitable donations (*begging in ancient Egypt*). In modern America, about 24% of the money raised by our 1.6 million nonprofits is spent on fundraising — essentially a Team Wealth 'tax'. There are many other such 'taxes'. Want money for society? Compete for government allocations, grants, and donations — money *given* to be *spent*, just once. And make sure you pay your commercial 'taxes' … in advance.

Our 30% total net social spending, with around half the population being economically adrift at sea, speaks to the effectiveness of this approach. The level of performance accountability is at the opposite end of the spectrum from Team Wealth's approach. The biggest weakness is the lack of direct returns — it's the reflection of the opportunity cost seen by Team Wealth — the difference between *spending* and *investing*.

> **The way we fund improving society is like a commercial investor giving money to a business and getting no stock, no capital gains, no share of the profits — and saying, *"Oh well, I'm helping the economy."***

That's why getting money for improving society is so hard. It mainly relies on authority — government, taxes, and deductions. It creates ever-escalating power struggles over who gets the authority. It's why billions are spent in election cycles. When everyone has access to basic well-being and further opportunity, the need for those power struggles shrinks dramatically. *Look to the funding methods*.

Raise a million dollars for society — a major achievement — something hard-fought for. $2.3 *billion* for a building project — or Meta investing $14.3 billion in an AI data-labeling start-up — just fleeting, random business news. The million dollars — a one-time expense. The other two — wealth-creating investments, made possible by the stock markets kickstarted by the Dutch back in 1602 — turning $16 billion into …?

How does share ownership line up with who's ashore and who's at sea? "The top 10% of Americans own 88% of equities, 88% of the stock market. The next 40% owns 12%. The bottom 50% has debt. They have credit card bills. They rent their homes. They have auto loans." There's a remarkable correlation between share ownership in the U.S. and being on economically-secure dry land or struggling to survive at sea.

Why the big difference in funding approaches between Team Wealth and Team Society? Tradition — *that's the way it's always been?* Or technical barriers — issues that could be overcome?

The transferable shares the Dutch created 400 years ago **were enabled by measurement** — the ability to quantify essential elements: the investor's share, what it funded, the results achieved, and the market value of that share. *The ability to measure these things made transferable share investments possible.*

Team Society doesn't have this ability. It can't measure these elements — any more than it can measure the length of a piece of oxygen. This gives Team Wealth a massive advantage. Taxes paid are measured, but generally highly confidential. Most contributions to charity aren't reported — most U.S. taxpayers claim the 'general deduction' and don't list any donations they've made. Society is treated as an amorphous mass. Nonprofits *may* report their achievements, but not in any standard way. And they talk them up to compete for grants and donations. Yet no rational person would deny there's value in society — in being a member of society — more value in a well-performing society … with a healthy, well-performing economy.

There's another inconvenient fact — **businesses contribute to society**, collectively more than any other group. They can also damage it, some with frequent monotony. How to separate the help from the harm?

The attraction of investing money rather than spending it causes *a relentless flow away from society* … but:

What if there were an easy way to measure how much everyone contributes to society … how much these contributions improve society … and how much the market values each contribution?

And what if these contributions save the contributors money — reduce their costs — rather than increasing them?

What if Team Society and Team Wealth could use the same strategy? The one that's made Team Wealth so successful in America. The one that's made America so successful. What if providing accessible economic security — giving everyone a way back to shore — could make every individual wealthier — give everyone an anchor to keep them ashore — and save money — in direct and easily measurable ways?

Imagine trillions being *invested* every year in activities that genuinely improve society — and create new wealth — commercial-scale wealth — that everyone can access.

Why in our careers do we have to choose between Team Wealth and Team Society? With most of us sticking with our chosen team for life? With Team Society being underpaid? What if we could do both — create wealth *and* improve society? At the same time. **Would we still need two opposing teams?** Would we need to keep fighting among ourselves all the time?

3. The Grandfather – The Old Winning Formula

No Holy Ghost here — just some cultivated fields. Literally. This one started with our discovery of agriculture, 10,000 years ago. Yep, Grandpa's really old. But he's still with us and going strong. He's responsible for a lot of our history. Grandpa's not about economics — that topic didn't exist when he got his claws into our species. Yet he plays a major role in shaping our economy. And he's not about finance — yet he directly affects that too.

Grandpa's about how *rewards drive behavior*. And the impact they both have on society … and our economy … and us. He's the 'grand' underlying cause of how money moves through our society.

Grandpa's been around so long that he's seeped into every corner of society … everywhere. Including most of our homes. We recognize him in extreme cases, yet don't when we exhibit his behavior ourselves. So, who is this devilish old character?

The discovery of agriculture allowed more food to be produced than was needed by those growing it. This freed others from the full-time effort of finding enough food to survive. Giving them the opportunity to do other things — like building towns, or raiding other people's food stocks. It led people to organize themselves to be more productive — to do new things — to create new things.

Organization requires leadership and authority. Civilization was born. It wasn't mature, but it was born. Its building blocks were, and still are … leadership, authority, and trust. Leadership, and the authority that comes with it, are not possible without some level of trust. Authority without leadership relies only on the backing of force. Civilization is based on trust. But the need for trust grew out of the need for organization, leadership, and authority.

It followed that the highest rewards went to the leaders and others in authority — they had the most important positions. This created the *authority-wealth-power* cycle. Authority gains higher pay. Both provide greater access to wealth … which provides more power … and bestows more authority. And the cycle continues. Often it's formal, as in structured organizations. Sometimes it's informal — people having power just because they're wealthy — think inheritance. But so far, so good. Authority and leadership are necessary for organization. Without organization, we don't achieve anything of value. Rewards should favor responsibility and achievements. But then things started to go wrong …

Rewards play a much larger role in life than we generally realize. Charlie Munger knew it: "Show me the incentives and I'll show you the outcome." All living organisms respond to rewards — it's nature. Rewards drive behavior — plants 'reach' for the sun to grow — we work to survive. Ask anyone who runs a sales commission plan. Increase the commission on product A and reduce it on product B. They'll sell more of A and less of B. Or ask any parent … or any child for that matter. "Clean your room and we can have hamburgers for dinner." Yes, self-interest is a thing too.

There's nothing wrong with wanting more. Self-interest is necessary for human survival — it's a feature, not a fault. Then there's the essential aspect of being human. As the author Robert Greene put it:

> "If you could boil down the problem with humans into one line, it's the fact *they're always taking the path of least resistance.*"

So, what started to go wrong when Grandpa was a kid?

People smart enough to be in positions of authority were also smart enough to see opportunities for further personal gain. The same way salespeople figure out how to maximize payments from their commission plan. And some kids learn to 'play' their parents — "Want hamburgers? Make your room messy."

People in authority looked for ways to maximize their rewards — their income, their wealth, their power, and in turn, their authority. Basic ambition? That's healthy. We all want to see it. But being human — "always taking the path of least resistance" — they looked for the *easiest* ways to maximize their rewards. And *it's easier to get ahead by taking from society than by improving it*. This led to:

The Old Winning Formula

the easiest way to win in our economic game

The highest rewards — authority, wealth, power — go to those who take the most from society.

Imagine life as a video game. Any game designer will tell you: *rewards drive behavior*. Put the Old Winning Formula in the player's guide. Every teenage gamer immediately knows the best way to win.

That doesn't mean everyone who wins plays it that way. But anyone who wins with a different approach has to work harder and smarter. Most humans, though, behave like ... well, most humans. Our economic game — life in society — is always a competition for high performers. Get to the top, then stay there. The player's guide is solid advice.

One author inadvertently reinforced the advice: "It's still possible to excel in the business world without destroying livelihoods, gutting communities, or spurning regulation." The UN reports that 4% of global GDP is lost to corruption. That's *hard* corruption — not the softer kind, like Congress voting to build more tanks than the Army wants just to keep federal spending high in voter-sensitive districts.

When Grandpa was a kid, it meant reaching for the sword. We see that throughout history. We've come a long way, but Robert Greene's definition hasn't changed one iota. In organizations, it's easier for those in charge to rely on authority. Leadership means caring about people. Getting results is much easier through simple authority than real leadership — easier, not better. 'Better' depends on how you define it.

Closer to home, every parent knows it's easier to resort to simple authority. The child keeps demanding: "Why? Why? Why?" You snap: *"Because I'm the parent and I say so, that's why!"* We've all done it.

Grandpa is behind the shareholder supremacy that took hold in America 50 years ago. It's much easier to maximize shareholder wealth by squeezing everything possible from employees, suppliers, and communities while giving out the least possible rewards.

Let's look at an example — in the healthcare industry. You immediately know Grandpa's been busy here. Pharmacies sell a prescription diabetes drug called Metformin. A U.S. pharmacist reported that he sells the drug for $4 as the *cash-pay price*. It costs him about $2, so he makes a profit margin of around $2.

Under the insurance plans, pharmacies are required to ask customers if they have health insurance *before* disclosing drug prices. Once the customer says they have insurance, a *gag clause* in the insurance agreement prohibits the pharmacist from disclosing the cash-pay price. Using health insurance, the patient's co-pay is $10 — $7 of which is a *claw back* that goes to what's called a Pharmacy Benefit Manager, or PBM. PBMs administer prescription drug plans for insurers — they structure the deals.

So, with insurance, the *patient* — the person who's paid premiums to protect against medical costs — pays $10 instead of $4 (on top of their insurance costs). The pharmacist makes a $1 profit margin instead of $2. The Pharmacy Benefit Manager gets $7 — that's 70% of the patient's co-pay, 3.5 times the cost of the drug, and $6 the patient *shouldn't be paying at all*. And it's the pharmacist, not the PBM, who pays the actual cost of the drug.

CVS Health, which owns the largest number of pharmacies in the U.S., also owns the largest Pharmacy Benefit Manager in the country — CVS Caremark — and the third-largest health insurance company, Aetna. CVS's website states that "PBMs are one of the few parts of the prescription drug supply chain *specifically dedicated to lowering costs*." What does that say about the rest of their operations?

Metformin is just one small example of an industry-wide business practice. Many diabetes patients are no longer prescribed Metformin because of its side effects. Now it's sold online as a prescription weight loss drug … for $79. *Grandpa loves it — the whole setup!* And all under the guise of 'care'.

This is just a single grain of sand in the never-ending dunes of the Old Winning Formula that crisscross the landscape of human affairs. The opioid epidemic is another — more of a dune than a grain, given the number of lives it's taken. All in the pursuit of easy rewards: commissions for doctors who prescribed the drugs, profits for executives and owners of drug companies, and savings for insurance companies that pay only for pills while refusing more expensive, effective treatments.

Surprisingly, the real problem isn't greed. There'll always be a few inherently greedy people in any society — but not many. Grandpa's DNA isn't about greed; *it's about rewards, and the easiest way to get them*. It's the behavior his DNA drives. It reinforces the basic flow of money from the bottom to the top … and investment in Team Wealth at the expense of Team Society.

Because the Old Winning Formula provides the easiest path to the top, it dominates the behavior of those in charge — those who control society. They shape behavior in their organizations, and, by extension, society's behavior. This creates an authority skew — where the values and behaviors that dominate society differ from those of most people. Societies become less stable. Authority, backed by force, escalates to maintain control and stability. Grandpa affects us far more than we realize. He's still shaping much of our news.

Focus on the behavior, not on judging individuals. We need people in charge, and *we're all susceptible to Grandpa's wily ways*. The problem isn't that Grandpa's still with us — we can't kill him off or write him out of the script. The problem is he's got *a monopoly on the <u>easiest</u> way to win* — to gain authority, wealth, and power — the way rewards are allocated … and the behavior it drives in too many of those in charge. He's the ancestor of how money flows through society. *His power lies in his monopoly*.

But there's something unique about humans …

> All living organisms respond to rewards — it's nature.
> You cannot negotiate with nature.
>
> You can only respond to the rewards … and for humans:
>
> **Change what the rewards are for.**

And there they are. The three underlying causes of our big problems — the basic forces behind the flow of money in society:

- **Our Modern Basic Money Flow:** The youngest of the three. The unseen, never-ending flow of money to those on high ground, at the expense of everyone else. The current that every productive economic activity has to survive in. The basic cause of people being washed out to sea, with most unable to return. Driven by the constant devaluation of money. With new money created by lending — hard to get for those on low ground or struggling in the ocean's waves.

- **Team Wealth vs Team Society:** Funding wealth-creation versus funding society. The pull of investing money instead of just spending it. Creating the never-ending fight for the authority to decide who gets what. All built on Team Wealth's ability to measure what Team Society can't. Leaving Team Society stuck with 5,000-year-old equipment and tactics for a modern sport. While Team Wealth attracts most of the money with its fabulous returns — returns that keep some safe on dry ground, while others get washed out to sea.

- **The Old Winning Formula:** "The highest rewards go to those who take the most from society." Grandpa — the old guy who was born when civilization started. With a monopoly on the easiest way to gain authority, wealth, and power. Driving the behavior of many of those in charge. Dominating history and current affairs. Ruthlessly pushing people out to sea in pursuit of high ground … because it's the easiest way. The guy who planted the seeds of Team Wealth dominating Team Society. The grandfather of the dominant flows of money in our economy. The one who reigns over society — because he holds that monopoly.

What a family — the fuel that's feeding all our big fires. The fuel we have to shut off so we can fix our big problems — all of them. The fuel that could burn society completely to the ground if left unchecked.

Approaching the Opportunity

How do we approach the opportunity — all the opportunities that lie in fixing our big problems … providing everyone access to economic security?

You're in a large conference room with several hundred entrepreneurs and potential investors. The speaker asks, "If you're able to do exactly what you're currently planning or doing, but create more wealth and improve society at the same time … raise your hand if you'd do it." What portion do you think respond? A real question — answer it in your own mind. Many? Most? … 50% … 80 … 90 … 99%? Would most be genuine? Would some be responding to avoid embarrassment? What portion will actually take up the opportunity when it's available — *when they can do both at the same time?* They're all there to make more money. Forever creative in that pursuit. And most care about society.

Same scene, any location, different audience — nonprofit leaders, social 'firefighters', potential donors. Slightly different question. "If you're able to improve society at a much faster rate, pay your people better, really solve problems instead of fighting never-ending battles, and create wealth at the same time — even though you may eliminate your own job … raise your hand if you'd do it." Same questions for you. How many in this group respond? Would some *not* respond to avoid embarrassment?

Which group embraces the opportunity the most — follows through at the highest rate? Which faces the bigger task — has to do most of the heavy lifting? May need to reinvent their organizations? And themselves? Which group faces the biggest transition? And possibly the most soul searching?

The core question to both groups captures the essence of the approach. It also shows which group faces the bigger hurdles. Counterintuitive, given their respective goals and common perceptions?

Want to stop warring factions from fighting? Find a way to give each what they want … with strong incentives to break the old habits. Create a new dimension if you can — one that can get them out of the 'narrow alleyway' they're fighting in — to create space for cooperation. Change the game. Give them more than they thought was possible. Use existing, proven mechanisms.

Fighting can be more appealing than cooperating or tolerating.
Make cooperation the most attractive option.

Kids with dirty rooms. Resort to authority? Or 'hamburger rewards', with a side of self-interest? Or … change the game — create a hamburger-stand around the corner. Something the family owns. Making enough money to pay for cleaning the kids' rooms … the whole house. With free hamburgers for the family. And the whole thing can pay for itself. Delivering more than anyone thought was possible. It's far from impossible — just that no one had put it to them before.

Kids … societies … countries. People responding to rewards. Scale the game as appropriate. Don't be locked in 'firefighters equipped with water pistols.' Make it self-sustaining. Make it really worth 'investing' in.

In the conflict between Wealth and Society, or any other conflict, *we don't choose a side*. We stay neutral, aiming to be there for everyone. We focus on behavior, not judging people — it's not our place to judge. We use rewards, not penalties. We focus on the underlying problems. We set goals that avoid 'choosing failure' — it's the most wasteful thing possible. We face facts, no matter how unpleasant they are, and stay grounded. We work to see the unseen … and things that some would rather not see.

Our approach is to provide a *platform*, not be a player. To provide choice, not force it. To make cooperation sustainable, through people *wanting* it. We work on the premise that real democracy — sustainable power — works for everyone, not just 51%, or some smaller number. And recognition that tomorrow's challenges will be different from today's — future generations will need to adapt things to meet their needs, not ours.

To create *Accessible Economic Security* for everyone, we start by addressing the three underlying causes:

- The traditional approach to economic mobility could be described as getting people to be better 'swimmers' — a worthy goal, but inadequate for the scale of our current problems. The *modern basic money flow* pushing people out to sea is too strong for most. Our six-figure-income swimmers are evidence of that. Over six out of ten of our adult swimmers are chronically ill, many without healthcare — they're not hardy versions of Kevin Costner's character in the movie *Waterworld*. Turning them into long-distance ocean swimmers when they're already at sea is … well, not even for Hollywood.

  Without going socialist, we flip the problem on its head by creating a new dimension. We change the direction of the current flow for our swimmers, without compromising our current monetary system. And do it in a way that benefits both swimmers and land-dwellers. The swimmers still need to get to shore, but with the current heading that way, they have the opportunity — *they have access*.

- Our approach to the *Team Wealth vs Team Society* fight is simple — remove the cause of the conflict. The main thing stopping Team Society from playing a 21st Century financial game is the impossibility of "measuring the length of a piece of oxygen."

  We solve that. We make it dead easy. And we go a step further — we measure it for them. Having removed that barrier, we give everyone access to the same wealth-creating share mechanisms that made America a global power. Not just Team Society — Team Wealth plays in this as well, and everyone in the spectator stands. Even people who aren't at the game — everyone … and every organization. Even governments, if they want to. Why shouldn't they create wealth to use for everyone's benefit if it's safe and makes their job easier? Pay down some of their debts? Everyone has access to this new game. *There's only one side*. It's not a competition. It *creates new wealth* that everyone has access to. All within the existing regulatory framework, protecting all the participants.

- And the *Old Winning Formula* — Grandpa and his devilish ways. He's too old to change his ways. We'll leave him be. Prodding him would only make him cranky, and he's got 10,000 years of tricks up his sleeve. Trying to change him would just start new fights — very dangerous ones.

  But we can open the door for his gradual and graceful retirement. By using the approach he's proven. Rewards drive behavior, and humans being human, "always take the path of least resistance." They take the *easiest path* to get the highest rewards society has to offer — authority, wealth, and power. We quietly end his monopoly by offering better rewards for better behavior — *giving those who improve society a better path to wealth and power than those who only pursue self-interest.*

Our approach is to provide new options for solving old problems, in easy, self-sustaining ways. We're <u>not</u> here to undermine Team Wealth, Team Society, our existing systems, our government, the custodians of our economy, or our currency. Quite the opposite …

We're working to strengthen our existing systems so they become unbreakable.

Authority is derived from organizations — power comes from authority, and from wealth. This holds true for people, organizations, and nations. And "There's no such thing as military power without economic power."

Economic security isn't just about people — it's the basis of *national security*. Accessible economic security for everyone is the basis of *'power security'* — the ability to *secure, and retain, power*. Grandpa gets in the way of this. By breaking his monopoly, *we provide better access to power and the retention of power*.

Power gained through Grandpa's Old Winning Formula is, by definition, *not secure*. In the long-term, it's self-destructive. Any path based on taking from society contains the seeds of its own undoing. Whereas:

Power based on accessible economic security for everyone contains the basis of its own security.

Money is obviously central to economic security, so here's a parlor game question. How do you turn $500 into $6,000, or $25,000? … Start with $500, pay it as wages, and recirculate it back to be used as wages every pay period. For monthly-paid folks, twelve times a year — $500 delivers $6,000 of income. For low-income folks paid weekly, about 50 times a year — that same $500 delivers *$25,000* of income. *Flow, baby, flow*.

Safeguards

This is a story about people and money. Inevitably eliciting traditional themes — from staying alive, to crime, to power. Human stories, part of the fabric of civilization — with money a constant, common thread.

Our endeavor has enormous future value — life and economy saving — individually and collectively. It has the potential to be a national asset. And a global asset. It's crucial to protect it and our goals for everyone's benefit … both from outside and within. While making sure it has space to breathe so it can do its job. Here are some of our key safeguards:

Goals and Leadership

- **Dual goals without compromise** — we have separate custodians for our societal and wealth-creation goals, with each providing guard rails for the other, ensuring maximization of both. *This is crucial*.
- **Leadership self-interest is prohibited** — our hybrid nonprofit/for-profit public company structure precludes founder and leadership financial equity to avoid acts of self-interest and negate potential use as a path to personal power. It's pragmatism, not altruism — driven by market and legal necessity.

Ownership & Stakeholder Influence

- **Progressive limits on ownership of our for-profit public company** — designed to attract capital while ensuring balanced influence across all stakeholder groups, and to preclude destructive takeover.
- **Strong stakeholder participation in shaping policies** — internally and externally; across society, commerce, and government, to ensure all stakeholders benefit.

Compliance

- **Full regulatory compliance** — with audits, transparency, and stakeholder and public disclosure.

Financial Security

- **Quarantine of money categories and critical activities** — to prevent misuse, waste, or confusion.
- **Protection against financial crimes** — including fraud, money laundering, and payments for criminal activities.

Safety & Privacy

- **Strong safeguards** — for privacy, data protection, and security.

Our Lane

- **We stay in our lane:** *'strengthening societies through smarter money flow'*. We don't engage in reserve currency or international trade activities, or in risky speculation.
- **We cooperate rather than compete.**

> "Meddle not in the affairs of dragons, for you are crunchy and taste good with ketchup."

Without wavering from our goals or values.

Welfare, a Social Contract, or Something Else?

"Hold on. Is this just more welfare? What is it? … What does 'access to economic security' really mean?"

For many, it sounds like handing out money. And that disgusts them — laborers, independent contractors, gig workers … grinding hard for every dollar they make, with none of the perks of living on high ground. They watch their taxes flow to people who don't work, and use harsh language to describe it. They feel they're subsidizing those who don't pull their weight. They're right — they are subsidizing others.

At the same time, companies that pay any workers less than a livable income are making those workers subsidize their business viability or profit margins by forgoing access to essentials. And people who buy from those companies have their purchases effectively subsidized by those workers' below-livable wages — families already struggling to stay afloat. There's no such thing as a *free market* when workers' only option is below-livable wages — leaving them adrift on the stormy North Atlantic, with 42% of our workforce already clinging to lifebuoys or drifting on makeshift rafts.

Below-livable wages, low-hour jobs structured to avoid benefits, workers forced onto welfare, employers profiting — effectively creating state-sponsored enterprises. Some businesses like socialism after all. Governments underpay workers too. We've locked ourselves into this welfare-subsidization cycle — it's hard to escape.

A goal means nothing if it isn't clear. Our *Economic Security Platform* defines our goal — and spells out exactly what 'access to economic security' means to us:

Our Economic Security Platform

the starting point

Every active participant in society, and those unable to work for genuine reasons, should have access to life's essentials: housing, food, water, safety, healthcare, digital connectivity, education, and training. These open the doorways to progress.

Access to essentials means a reliable livable income — or its functional equivalent — adjusted for location and personal circumstances — *without government welfare.*

Members of society share responsibility by working, caregiving, learning, or other contributions. Those able to work but not employed are placed in work of value to society. Those already working but underpaid receive livability supplements. Those unable to work are encouraged to contribute in ways they reasonably can. All forms of contribution gain access to the essentials.

As the economy adapts to new technologies and other changes, workers continue to receive a reliable livable income while reskilling and moving into new opportunities.

Everyone Benefits — *everyone can access economic security — no added costs for employers or government — government reduces welfare spending — employers rewarded with new cost savings — new wealth created, directly and indirectly.*

Is this welfare, a social contract, or something else? In January 1944, President Roosevelt called for a "Second Bill of Rights" — economic rights to stand alongside the political rights in the U.S. Bill of Rights. He spoke of the right to a job, a home, medical care, education, and economic security. Congress never passed it. Truman tried again with his "Fair Deal" in 1949 — a few pieces made it into law. Lyndon Johnson's "Great Society" carried other fragments forward — Medicare, Medicaid, civil rights protections. But the larger promise was never realized.

As a nation, eighty years after Roosevelt's call, we still don't have a standard definition or effective policy for economic security. America prides itself on *'freedom'* — it's still the centerpiece of George Washington's "great experiment." It clearly was in his time. Roosevelt warned, "True individual freedom cannot exist without economic security and independence." Hard to dispute. Yet now, as an example, half Philadelphia's population lacks the 'freedom' to watch their home football team in person — the ticket prices are well beyond their reach. Two thousand years ago, Rome gave every citizen free access to the Colosseum games.

Is our Platform *welfare*? No. Welfare is provided by governments, and we're not government. Is it a *social contract?* No again. That's for the whole of society to create — not us.

Philosophy, policy, and rights all have their place. But today, they're mostly political banners, not drivers of lasting change. *Real change is sustained only when it delivers tangible benefits to all involved.*

For Pathfinder, our Economic Security Platform is simply a foundation for getting on with the job and solving the problems. It doesn't need approval. People and organizations will act — or not — according to their own best interests. Incentives drive outcomes that last. Rewards and economic gains speak louder than policy statements and social contracts — *ask Grandpa!*

One author captured the dilemma:

> "We believe in taking care of the less fortunate,
> but we don't want that to cost us money."

Getting more money to people without taking it from hard-working contractors and their brethren … cutting government welfare costs … rewarding employers with new savings … creating new wealth.

"Everyone gets more and no one seems to pay for it. How is this seemingly magic trickery done?" No — I don't have a bridge to sell you. It's not trickery — the inefficiencies in our current systems make it possible.

Where People and Numbers Collide

Before we look at how today's systems create the opportunity for this apparent "magic", we need to see how the *Economic Security Platform* fits into the nation's economic and human landscape.

After eight years in America's founding capital, I think of Philadelphia as a tale of two cities — two communities that coexist, yet with very different lived experiences and limited understanding of each other. In the same vein, America can be seen as a tale of three countries — an enormously complex nation with, for example, roughly 25,000 law-enforcement agencies, yet divided into three distinct groups.

A country can clearly be divided, but there's no such thing as a half a country
— it survives as one ... or it doesn't.
We need to keep the pieces together, even as they drift further apart.

To explain the three groups, first a few terms:

- **ALICE — Asset Limited, Income Constrained, Employed:** represents "families who are unable to afford the basics of housing, child care, food, transportation, health care and technology." Those above the Federal Poverty Level but with insufficient income to achieve a basic standard of living.
- **United for ALICE:** the organization behind the ALICE dataset, the most comprehensive measure of Americans who are struggling.
- **ALICE Household Survival Budget:** "the bare minimum cost of household basics necessary to live and work in the current economy," calculated by county and household composition.
- **ALICE Threshold:** "the minimum income level necessary for survival for a household." *(Excludes non-mortgage debt.)*
- **ALICE Survival Budget Gap:** the amount needed — beyond current earned income (only) — to reach the ALICE Threshold *(gross gap, before welfare and aid)*.
- **Economic Security Threshold:** Pathfinder's assessment of the combined income, welfare, and aid required for households to achieve economic security, *including* an allowance for non-mortgage debt.
- **Economic Security Gap:** the amount needed — beyond current earned income (only) — to reach the Economic Security Threshold *(gross gap, before welfare and aid; includes non-mortgage debt)*.

(For disclosure: I serve on United for ALICE's Community Advisory Committee.)

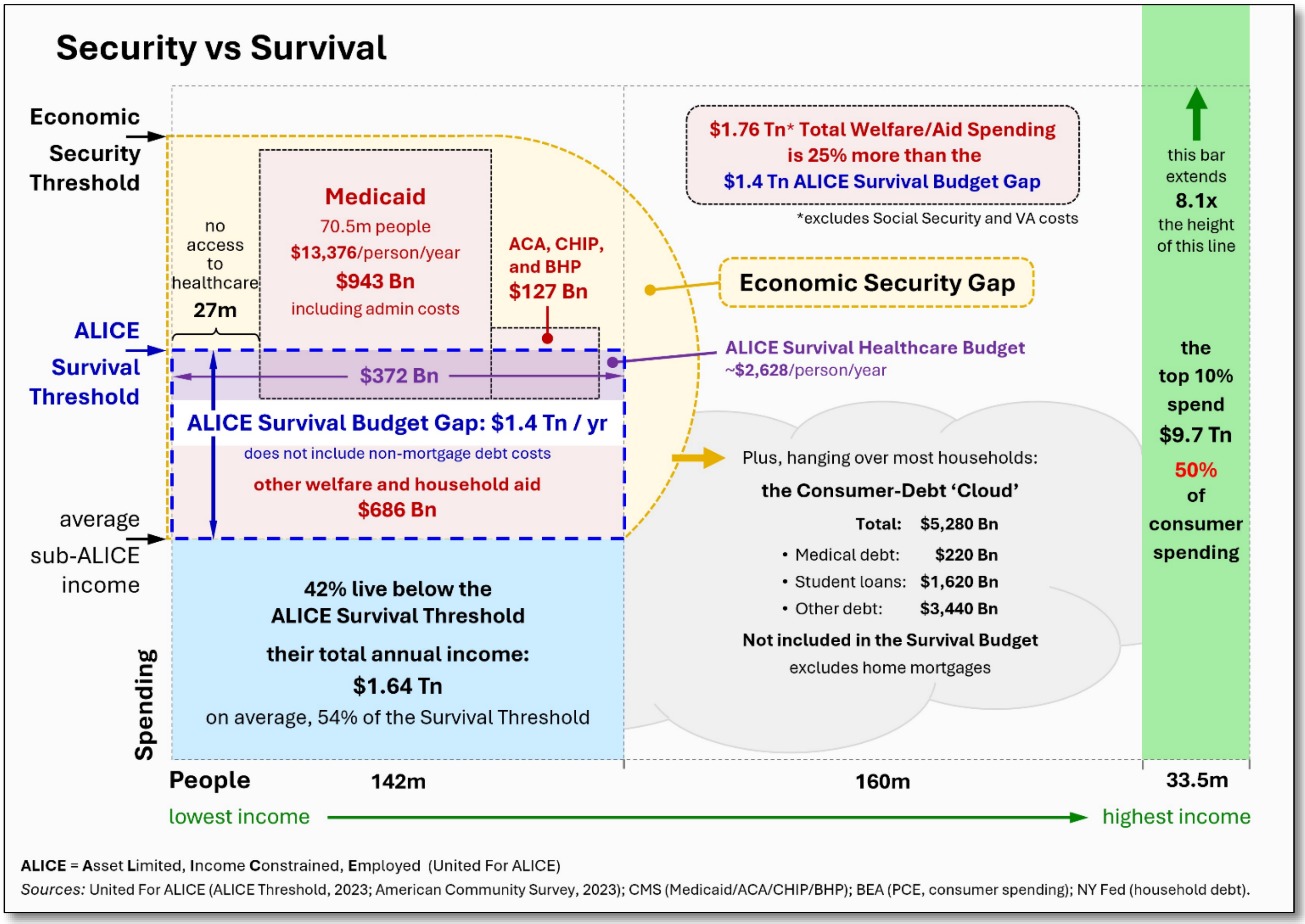
The three groups in this primary division of American society are:

- **Low-income group:** households below the ALICE Survival Budget (below the ALICE Threshold); this includes most, but not all, of our 'ocean swimmers.'
- **Middle-income group:** households above the ALICE Threshold and below the top 10% of households; most are 'coastal dwellers,' some are 'in water up to their waists,' others are 'out of their depth and swimming.'
- **Top-10% group:** households in the top 10% by income; they 'live in the hills and on the mountain tops,' safe from even tsunamis.

Though these three groups keep drifting further apart, they're chained together and dependent upon one another.

The low-income group relies on welfare and aid to stay alive and lacks access to the basics; without the support of the other two groups, they wouldn't survive. The top 10% depends on the middle group for skilled labor, on the bottom group for low-cost labor, and on both for essential services and half the consumer spending — the foundation for their wealth. The middle group funds a large share of the welfare and aid that keeps the bottom group alive, while largely relying on the top 10% for the capital and work opportunities that sustain them. Everyone relies on consumer spending to keep the economy going.

The solution for *accessible economic security* reaches across all three groups — it's for everyone, not just those who are struggling. Two snapshots of the country follow.



This diagram shows the relationship — and difference — between economic security and household "survival".

The blue segment at the lower left is the total average annual income of the 42% of Americans living on less than the household Survival Budget. The dashed blue rectangle is their Survival Budget gap — how far 'out to sea' they are — with the top of the rectangle marking the Survival Threshold.

Collectively this group earns just 54% of what they need at the Survival Threshold. And the Threshold *doesn't consider household non-mortgage debt*. About 56 million Americans struggle with medical debt (roughly 4% of non-mortgage debt). All non-mortgage debt drags our swimmers lower in the water.

Support for struggling households, shown as the three red rectangles, totals $1.76 trillion a year — 25% more than the Survival Budget Gap. *So why are these households still in so much difficulty?*

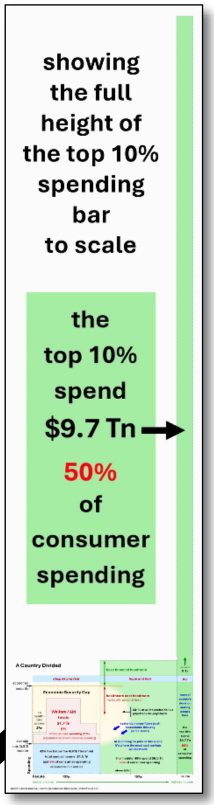
The answer lies in healthcare costs ... and relative health. The purple rectangle — an estimated $372 billion per year — is the healthcare share of the Survival Budget. United for ALICE is explicit: "The health care budget is the hardest to estimate ... [it] focuses on average health care spending but recognizes that this *greatly underestimates the needs of many households*."

The healthcare services welfare provided to low-income households (the two upper red areas) totals $1,070 billion — *about $698 billion more than the Survival Healthcare Budget*. (As an aside, it's interesting to note that Medicaid's administrative overhead is ~4%, compared to ~11% for private-sector insurance.)

This $698 billion mismatch (the healthcare services welfare in excess of the Survival Healthcare Budget) reveals something important about the country.

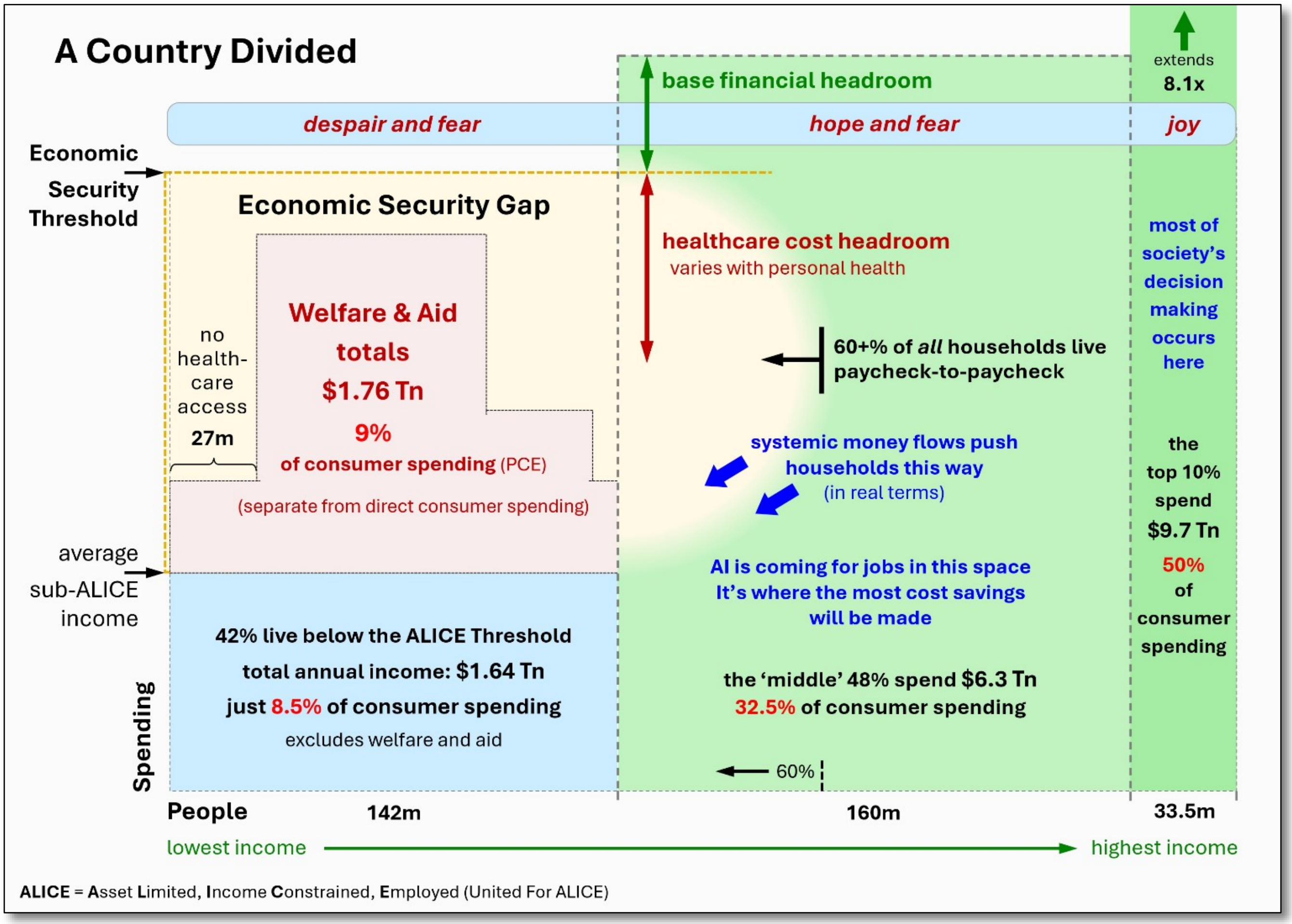
The Survival Budget healthcare component is based on costs for those who pay for insurance or have employer insurance, along with some adjustments. It reflects upper-ALICE and middle-income household physical health.

The $698 billion mismatch reflects the health of those with lower-ALICE and poverty-level incomes. It shows that *health is a function of wealth, and ill-health results from poverty*. What's stunning is the degree to which this is true. Remember our 6 in 10 adults with chronic illnesses, 4 in 10 with multiple illnesses? The Security vs Survival diagram shows that lower-income adults carry the highest burden of chronic illness, by a large margin. Our 'swimmers' are notionally three to five times as ill as those on land. In time:



Accessible economic security can save $700 billion annually by improving low-income health outcomes to middle-income levels.

Let's look more closely at the divided country. The Economic Security Gap (yellow area) includes the welfare/aid (red) and reaches into the middle 48% — those above the ALICE threshold but below the top 10%.



Whereas the ALICE Survival Budget Gap (2023) is $1.4 trillion, the Economic Security Gap is in the range of $3.5 to $4 trillion when a portion of the middle 48%, debt burdens, and full healthcare costs are included.

Excluding welfare and aid, the 42% below the ALICE Survival Threshold account for just 8.5% of direct consumer spending; the middle 48% account for 32.5%; and the top 10%, 50%. The middle-income group (42% to 90% bracket) spends only 68% of the national average per person.

Average Annual Consumer Spending per Person

Group:	ALICE & Below	Middle 48%	Top 10%
Direct Spending	$11,600	$39,500	$289,600
Welfare and Aid	$12,400		
Total:	$24,000	National Average: $57,925	

numbers rounded for readability

Many in the middle-income group aren't as secure as we may think. The Country Divided diagram shows how much headroom they have on average, with and without health issues. 60% of all households live paycheck-to-paycheck, including 38% of the middle-income group.

Many toward the lower end of the middle band are in a hard place — they earn too much to qualify for aid, and a mix of health costs, debt, and unexpected bills makes them economically insecure — unidentified swimmers in rough seas.

This explains the lack of an effective off-ramp from welfare. As income rises for sub-ALICE households, external support decreases while financial risk increases. It takes a large income jump to reach a safe place in the middle band with sound headroom — and, leaving exceptions aside, households capable of that leap are usually already safe.

We spend more on welfare and aid helping the bottom 42% than we pay them for their labor — that's not efficient ... and it's kinda socialist.

Money Efficiency and Effectiveness

Inefficiencies in our core monetary systems provide the opportunity to create economic security for everyone without anyone seeming to pay for it. To understand these inefficiencies, our story ventures into the jungles of our economy — familiar terrain for some, less so to others.

Consider *efficiency* and *effectiveness* — and how they differ. *Efficiency* is doing a job with the least waste — minimum cost, shortest time. *Effectiveness* is doing the *right* job — achieving the outcome you actually want. Running fast versus running in the right direction.

When it comes to money, most of us understand the efficiency that comes from using it carefully — not wasting it on things that don't help, finding the best prices, avoiding interest costs. In nonprofits, it means keeping administrative and operating costs low. In business, keeping costs low and sales high.

Retailers measure *stock turns* — how many times a year they sell their inventory — how fast products 'fly off the shelves.' Traditional retailers have fixed shelf space, whether they're a corner store or Walmart. And they pay for the items they put on their shelves.

They calculate stock turns as annual cost of goods sold (COGS) divided by average inventory (at cost). It's a standard performance metric. The more times they sell their total inventory during a year, the more profit they make. Large U.S. retailers average 4-12 inventory turns a year; grocers up to 15; Walmart and Amazon about 7-9.

What's this got to do with our economy and the efficiency of our money supply?

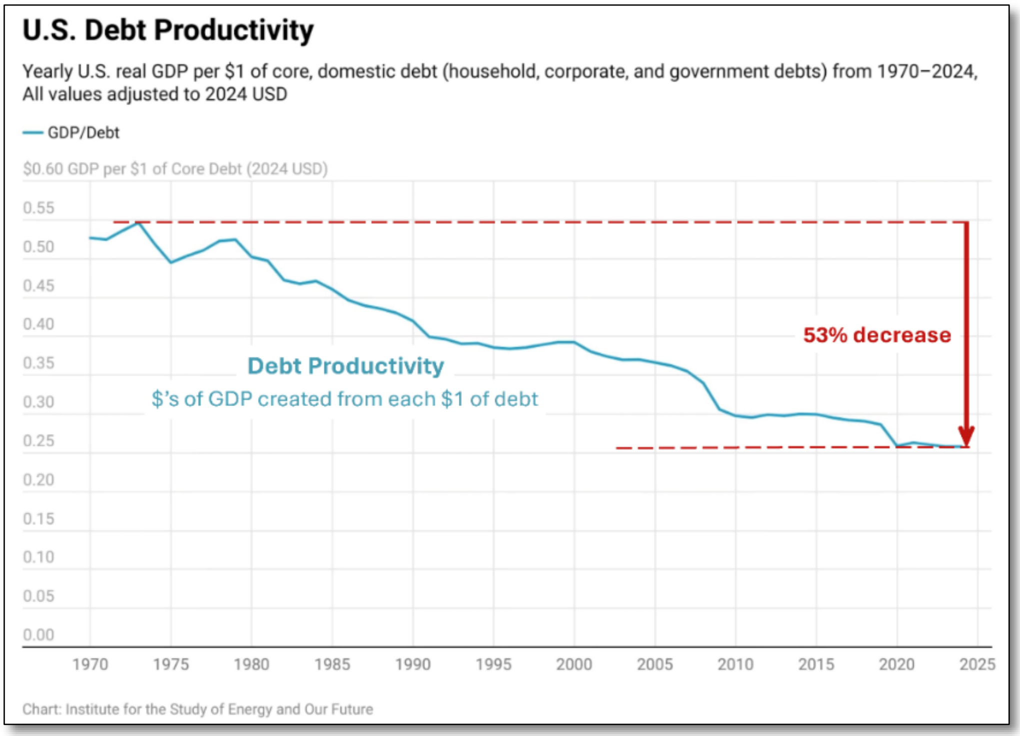
The same concepts apply. We have a certain amount of money in the economy — the total money supply, or *money stock*. There are different ways to measure it – the most relevant is M2 (money stock). It's a broad measure of the money available to spend and save. Economists look at how efficiently it's used.

Don't confuse money stock with Gross Domestic Product. Money stock is to the economy what inventory is to a retailer. GDP measures performance over a year — like a retailer's annual profit-and-loss statement.

As the economy grows, demand for money usually rises. Most new money is created when commercial banks make loans: making a loan creates a new deposit in the borrower's account. When loans are repaid, the corresponding deposits are extinguished, so the money supply can fall as well as rise. Overall, our total debt levels are rising.

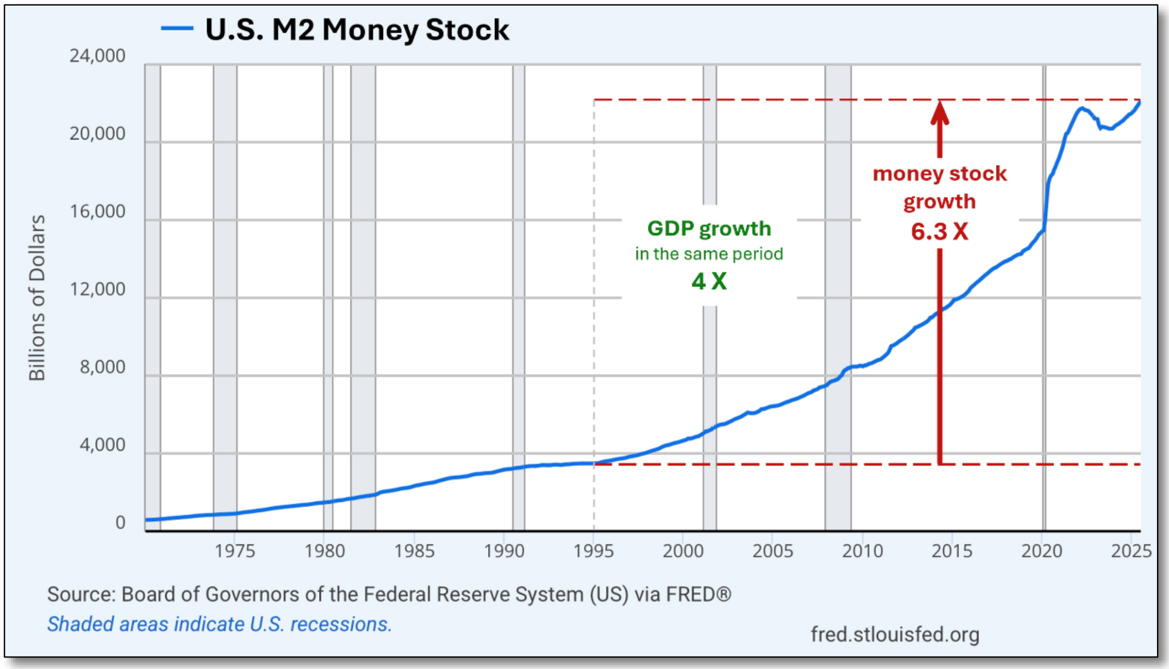
Lending, or debt, has long been used as a way to stimulate or grow the economy. This graph shows the economic output per dollar of total debt. Over the last 50 years, that productivity has declined by about 53%.

New debt now creates roughly half the growth that it did 50 years ago. But debt always comes with interest costs, and bank lending is how most new money is created.



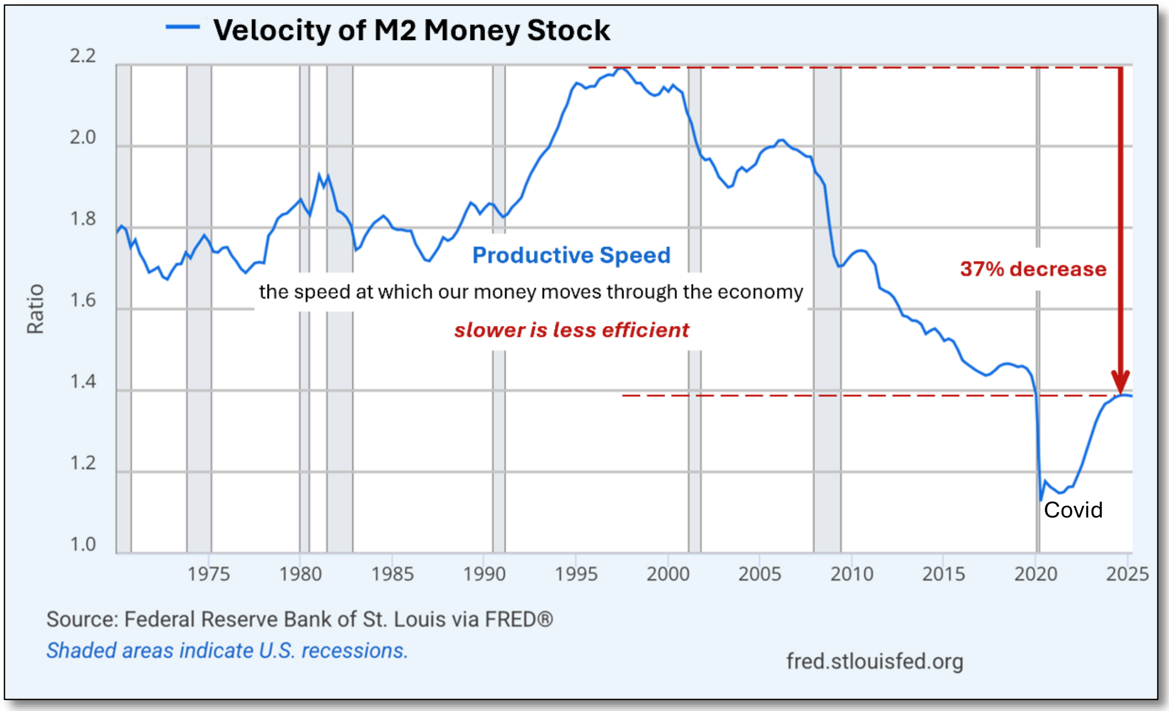
What's been happening to the efficiency of our money supply? Let's have a look.

The USD was first created in 1792. Our money stock — our 'inventory' of dollars — has increased 6.3-fold in the last thirty years; GDP only fourfold.



If we were retailers, our 'inventory' would have grown more than 1.5x our sales — our share price would plummet; we could be taken over ('Under New Management') or go out of business. Thankfully, the economy isn't a retail business.

In the retail analogy, our 'stock' is no longer flying off the shelves. The speed at which our money is moving through the economy has slowed down over the last 30 years — *it's now ~37% slower*. Our money has become less efficient.



The *velocity* of money is "the frequency at which one unit of currency is used to purchase domesticallyproduced goods and services within a given time period." It's calculated by dividing our total GDP by our total M2 money supply.

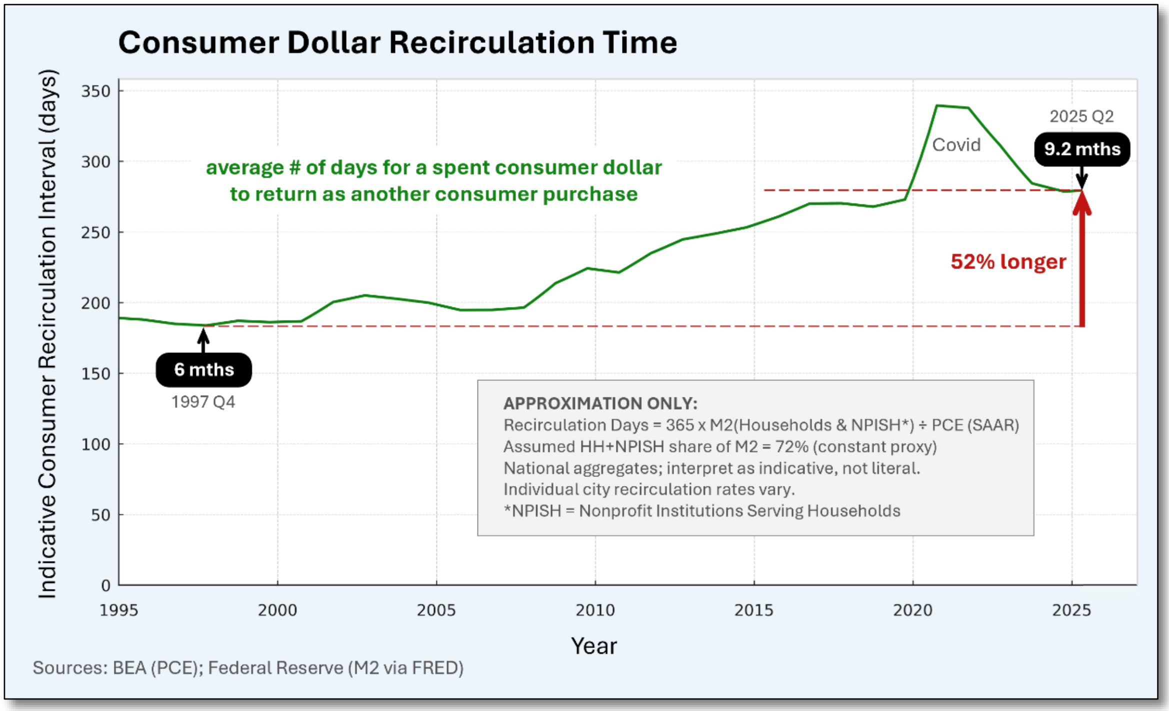
The faster money flows through the economy, the more efficient and productive it is.

A Nine-Month Journey

Money velocity is based on our total economy and total money supply. Our focus is on *Personal Consumption Expenditure*, known as PCE, to those familiar with the jungle. PCE is spending on goods and services for households — whether paid by families themselves, by employers, or by government and nonprofits on their behalf — plus the imputed value of living in your own home. Simplified: it's money spent by or for households.

Personal Consumption Expenditure is about 68% of the economy. The rest is private investment, government consumption and investment, and net exports. Economic Security — access to the basic essentials of life — deals with personal consumption, not these other elements of the economy.

This chart shows how long a consumer dollar takes to recirculate — from a household purchase, winding its way through the economy, to being spent again on household needs.



In 1997, it took about six months to recirculate. ***Now it takes over 9 months* — 52% longer.** With 6x the money stock we had in 1997. A nine-month journey for each dollar to find its way back to a household purchase. Fewer purchases per dollar each year and less punch for households. More families struggling to survive at sea.

Our money supply has become fat, slow, and lazy.

When the money stock persistently grows faster than real economic output, the dollar's purchasing power tends to fall — its half-life shrinks. Remember Half-Life Day, Devaluation Day? And the unseen Basic Modern Money Flow in our economy that everything else floats, drifts, sails, or sinks on?

But inside this slow-moving money lies the opportunity for the apparent magic — *'everyone getting access to more and no one seeming to pay for it.'*

Accelerate consumer-dollar recirculation — unlock measurable value.

Fund economic security at scale.

No added costs — governments save — employers get rewarded — households gain.

The Value of Faster Money

The value of moving the money we already have through the economy faster is enormous and far-reaching. We'll cover broader benefits later; they all derive from accelerating consumer-dollar recirculation.

To understand the value of faster money, we need to define another term:

- **Welfare Security Gap:** the amount needed — beyond current earned income plus welfare and aid — to reach the Economic Security Threshold *(net gap, after welfare and aid)*.

The *Economic* Security *Gap* starts before welfare and aid; it's the difference between current earned income (only) and economic security. The *Welfare* Security *Gap* takes welfare and aid into account; it's the gap households are actually experiencing after accounting for welfare and aid. The *ALICE Survival Budget Gap* is the gap between household income and the ALICE Survival Threshold. This threshold doesn't fully account for healthcare costs and excludes debt burdens, but it otherwise provides far better data than is available elsewhere.

In the "A Country Divided" graphic on page 23, the *Welfare Security Gap* is the *visible* yellow area, while the *Economic Security Gap* also includes the yellow space behind the red welfare-and-aid area.

In looking at the value of faster-moving money, we'll focus on the *Economic Security Gap* and the *Welfare Security Gap*. The *Welfare Security Gap* plus welfare and aid equals the *Economic Security Gap*.

In providing households access to economic security, there are important distinctions between *filling* the *Welfare Security Gap* and *replacing* welfare and aid currently received.

Replacing welfare and aid doesn't improve a household's economic security. It may, in fact, weaken it. If a household moves from Medicaid coverage with full benefits to private health insurance with limited coverage and substantial copays, the economic risk associated with serious health issues increases dramatically. Addressing that increased risk requires a solution in its own right.

Replacing welfare and aid also doesn't change total consumer spending — spending on behalf of households is included in Personal Consumption Expenditure (PCE). However, it does save government money — potentially up to $1.57 trillion per year over time, mostly federal money. Consider that in relation to our national debt, now about $38 trillion (up from $36 trillion as I've been writing this document). Two decades of such savings could eliminate around 80% of our current national debt, along with interest-cost savings.

Imagine the boost to the stock and bond markets, the strength of the U.S. dollar, and the broader economy, from bringing the national debt under control — and reducing it to levels unprecedented in the modern era.

Simply starting down this path will have a significant positive impact on the markets.

Replacing welfare doesn't increase consumer spending — it just changes the source of the spending. Therefore, it doesn't affect GDP.

In contrast, filling the *Welfare Security Gap* increases GDP. It improves household security, raises household income, and drives new consumer spending. (Households without access to essentials spend nearly all their income — they have little capacity to save.)

It's important to note that increasing household income often reduces welfare benefits, which are typically means-tested. Directing more money to households (cash rather than in-kind aid) initially replaces some welfare and then begins to fill the *Welfare Security Gap* once eligibility thresholds are exceeded.

The differences between replacing *welfare* and *filling the welfare gap* (with income in addition to welfare) are important when assessing the value of:

Faster Money

We'll use Philadelphia to demonstrate the value that can be unlocked by faster-moving money:

- Population: 1.55 million (2023) — about 730,000 (47%) below the ALICE Threshold, including ~315,000 below the Federal Poverty Level.
- Gross Metropolitan Product (GMP), the city-level equivalent of GDP: $111 billion.
- Total welfare and aid spending in Philadelphia is approximately $10 billion a year.
- The Economic Security Gap is estimated at $21.4 billion citywide.
- Together, these two imply a Welfare Security Gap of ~$11.4 billion a year.

Remember the difference between *money stock* (how much exists) and *expenditure* (how much changes hands). Each consumer dollar passes through multiple organizations as it moves through the economy, taking a little over nine months to recirculate back to a household.

The traditional approach to lift these 730,000 residents and 'ocean swimmers' in the middle-income group to economic security would cost $21.4 billion per year, with welfare decreasing as income increases. This approach relies on a mix of wage increases, government supplements, and nonprofit support. The $21.4 billion excludes the administrative costs of such a program.

Traditional wage increases lag behind cost-of-living increases, especially for low-income workers. $21.4 billion is 19.3% of the city's GMP. Using wage increases to close the gap is a nonstarter. Government is already stretched under its debt burden. Nonprofits — prolific in Philadelphia, employing 25% of the local workforce (compared to 6.5% nationally) — are donation funded and already hustling as hard as they can. So how …?

Now consider the money stock required — the "inventory" needed to support $21.4 billion of spending, regardless of who pays.

Consumer dollars take about 9.2 months on average for a full cycle — a single return trip from household spending back to households. They complete about 1.3 cycles per year. Spending $1,000 a year doesn't require $1,000 in money supply. It only requires $765 in supply, because after 9.2 months the first dollars spent start returning. Likewise, a retailer selling $1,000 of product A with 1.3 stock turns per year holds an average of $765 of product A inventory (at cost).

Spending $21.4 billion per year to close Philadelphia's Economic Security Gap would require about $16.4 billion of money stock. ($21.4 bn x 9.2 months /12 = $16.4 bn, using the national recirculation interval.)

Workers are paid monthly, every two weeks, or weekly. Struggling households spend their money quickly — mostly within a month of receipt, and too often the day it's received. The length of time people hold their money before spending it is built into the recirculation rate.

Payroll has always been a batch-processing task. Pay for hourly workers is calculated in a batch after each pay period and paid out a couple of days later. It's partly convenience and partly a hangover from when data was manually entered from paper records and processed overnight on mainframe computers. We pay an unseen price for these pay cycles. They slow down the movement of money and increase the money stock required. Not by much — because a week or two is only a small portion of the 9.2-month recirculation journey of consumer money. But the effect can be significant, as we'll see.

Go back to our parlor game question about turning $500 into $6,000 or $25,000: $500 of money stock used to pay wages monthly or weekly, *recirculating back to wages within the pay period* — $500 paid each period. One-month or one-week recirculation instead of today's nine-month consumer-dollar cycle.

What if a portion of the money stock ...

a) is used to close the Economic Security Gap
b) recirculates much faster, in a *virtual closed loop*
c) removes household and 'employer' holding times from the cycle
d) does so without bank-style credit creation — i.e., it doesn't create new money (deposits) by lending.

(A *'virtual closed loop'* recirculates money in a way that mimics natural recirculation.)

Then how does altering the pay frequency affect the amount of money supply required to eliminate the Economic Security Gap? To provide everyone with access to today's essentials? To give everyone a fair chance at a reasonable life? In Philadelphia:

Closing Philadelphia's Economic Security Gap – Money Supply Required

Pay Frequency	Recirculation Time	Paid/Year	Money Stock Required
BASE: conventional	**9.2** months	**$21,400** million	**$16,400** million
Using Accelerated Recirculation (Virtual Closed Loop):			
monthly	1 month	**$21,400** million	**$1,784** million
weekly	1 week	**$21,400** million	**$412** million
daily	1 day	**$21,400** million	**$59** million
twice-daily	12 hours	**$21,400** million	**$29** million

Shortening the recirculation time is like Walmart replacing a supercenter with a corner store and maintaining the same sales volume — profits rise and their share price booms! *The equivalent can happen for the country.*

How do we measure the value of this *faster money?*

We could apply an interest rate to the reduction in the money stock — say the overnight interbank rate, currently about 4% — the way a retailer would when valuing an inventory reduction. (Our notional 'Walmart sales from corner stores.') But in our case there are more practical ways to measure the value.

First, let's look at sourcing the money stock. The conventional approach is untenable, whether for a single city or nationally.

But look at the money supply requirements — what we could call the 'base capital' required under *accelerated recirculation*: $412 million at weekly recirculation; $59 million at daily. Consider these amounts in the context of just four funding reference points in Philadelphia:

- At the end of the Federal Reserve Bank of Philadelphia's Economic Mobility Summit in April 2025, the city's Mayor Parker announced $20 million of investment in workforce development, $10 million from the City and "$10 million in matching funds from partners like Comcast."
- Comcast is the largest public company based in Philadelphia. It's ranked 32 in the 2025 Fortune 500. The Comcast NBCUniversal Foundation donates about $51 million annually.
- Access to a livable income includes the security of somewhere to live. Philadelphia's Office of Homeless Services has an annual budget of $130 million. What will that office do when everyone in the city has access to a livable income? A question that warrants much sensitivity, but an important one. Remember the earlier question to our social 'firefighters': "... even though you may eliminate your own job ...?"

  (One challenge with homelessness is landlords rejecting applicants with histories of financial distress. This can be solved by taking master leases (head leases) over properties and guaranteeing payment and genuine damage repairs. Once everyone has access to economic security, cities will have the moral authority to tell people they can't live on the streets, not just the current legal authority.)
- Philadelphia's H.O.M.E. (Housing Opportunities Made Easy) initiative is a multi-year effort to build and preserve ~30,000 homes. Its financing package includes up to $800 million in city bonds authorized by City Council. Total interest over the 20-30-year life of the bonds is likely to be $450-$650 million.

Base capital in the range of $60-400 million for the core money stock to eliminate Philadelphia's Economic Security Gap suddenly looks within reach, even before reaching into the Team Wealth world.

Make that base capital a wealth-creating investment, not just an expense or donation, and it's definitely within reach. And so is:

> **Turning Philadelphia from America's 'poverty poster child' into its 'Economic Security leading light'.**

Now consider current welfare and aid spending in the city — just over $10 billion annually, about 90% of it government welfare (primarily federal), excluding Social Security and Veterans Affairs.

Achieving citywide economic security would end that $10 billion annual spending on the city's residents.

The remainder of the $21.4 billion Economic Security Gap is the Welfare Security Gap — estimated at $11.4 billion per year. This is incremental household income — money required to access today's essentials. It's where households make their real gains, unlike welfare replacement, which primarily benefits the funding source.

This $11.4 billion translates into new consumer spending and GMP/GDP growth. And to quote United for ALICE from *The State of ALICE in Pennsylvania*:

> Increased spending in the local economy has a multiplier effect. Mark Zandi, Chief Economist at Moody's Analytics, estimates economic multipliers for additional household income spending on food (1.57), utilities (1.27), and other necessities (1.42). For instance, every dollar spent on food spurs an additional 57 cents in business growth in the retail, agriculture, trucking, and rail freight industries.
>
> There are also economic multipliers for the additional income taxes that households below the ALICE Threshold would pay. Zandi estimates economic multipliers for tax revenue spent on aid to state and local governments (1.27) and transportation infrastructure (1.23), meaning that every dollar households below the Threshold pay in additional taxes would fuel even more in state and local investments.
>
> Beyond these economic contributions, there are cascading benefits of meeting basic needs in Pennsylvania. If all households are on a more solid financial footing, communities can look beyond crisis spending and poverty alleviation toward broader community well-being. For example, funding that went toward emergency housing or food assistance could be redirected to create more affordable housing and locally grown food systems for the long term. Funding could also be used to enhance opportunities for civic engagement, arts, and recreation. Together, these investments can improve physical and mental health and overall quality of life — not just for ALICE families, but for entire communities and the state as a whole.

An $11.4 billion increase in Philadelphia would amount to roughly a 10% lift in Gross Metropolitan Product over the period it takes residents to achieve Economic Security — before the multipliers Zandi describes. Fund people, and housing finance takes care of itself.

This growth in the local economy is in addition to the baseline growth in GDP/GMP. Nationally, real GDP is growing at about 2.1% (at time of writing).

Improving the population's health will reduce the long-term costs and burdens of healthcare. Reducing poverty will reduce crime and violence — and their associated costs.

Economic security for everyone — no added employer costs — massive government savings — an accessible core money stock — real growth — *all via accelerated recirculation*. There are more benefits, including employer rewards and wealth creation. We'll come to these.

To make the value of faster money clearer:

The Value of Faster Money – Philadelphia Example

Current Situation:	consumer-money recirculation ~ 9.2 months		
Economic Security Gap:	**$21.4**	billion/year	no credible path to close it
Money stock required (base):	**$16.4**	billion	dedicated to Philadelphia
With Accelerated Recirculation:	no added employer cost		
Effective recirculation time:	1 week ➔ 1 day ...		or less
Core money stock required:	$400-60 million		one-time
Economic Security Gap closed:	**$21.4**	billion/year	in additional wages or equivalent
Welfare and Aid reduction:	**~$10**	billion/year	just in Philadelphia
Base GMP gain:	**~10%**		plus economic multipliers
Current U.S. GDP growth:	2.1%		

Philadelphia is just an example. The intent is nationwide rollout, with national implications:

- ~$1.75 trillion per year reduction in welfare and aid costs.
- ~$3.75 trillion per year to support struggling families — enough to bring all our 'swimmers' ashore, building a new American middle class.
- No added cost to employers.

This is the value of faster money. Decide for yourself how markets will react.

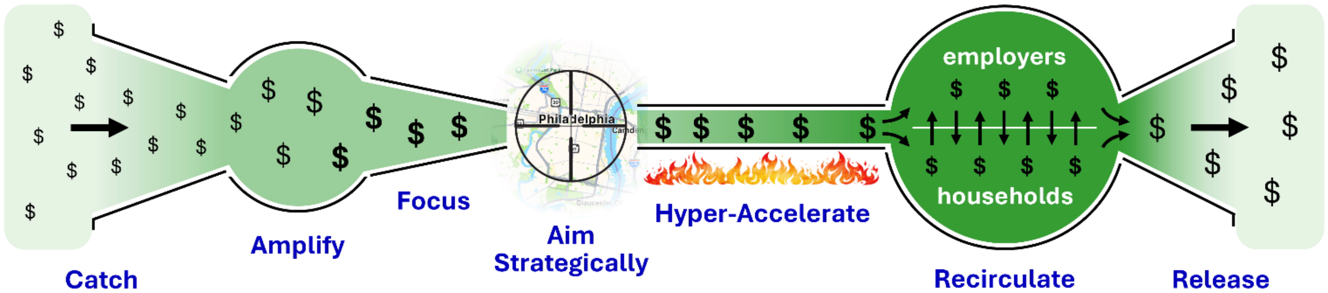
To be clear, it will take time to reach this potential — *it will be achieved progressively*. But the potential doesn't stop here; it goes well beyond what you've seen so far. "But … accelerated recirculation? From nine months down to a week — or a day? How on earth? What's the process?"

Unlocking the Value – The Process

Here's the process for shortening the recirculation cycle from nine months to weeks — or days:

Catch — Amplify — Focus — Aim Strategically — Hyper-Accelerate — Recirculate — Release

Diagrammatically:



The process stages:

- **Catch** – take hold of existing money already circulating through the economy.
- **Amplify** – increase its real value.
- **Focus** – concentrate the money to maximize *efficiency*.
- **Aim Strategically** – apply it directly to the goal to maximize *effectiveness*.
- **Hyper-Accelerate** – maximize the speed at which it changes hands.
- **Recirculate** – route from households back to households via the shortest path.
- **Release** – return the money as needed to continue its normal path through the economy.

The process is progressive: amplification, acceleration, and recirculation increase over time, while the release rate decreases. It's designed to avoid interrupting the normal flow of money through the economy — maximizing gains without harmful side effects.

Society's challenges change, and will continue to change long after we're gone. Today it's households — our "swimmers" — and national and global security. We can't foresee what future generations will face. For example, if we eventually lose the ice on Greenland and Antarctica, the resultant 214 foot sea-level rise will turn our coastal cities into offshore reefs, forcing mass migration inland.

The process is designed to be adaptable to whatever goal emerges — applied directly by deploying resources, or indirectly by rewarding behavior change. "Aim strategically" can mean: a city, a suburb, a block, a household; a product or service, a brand, a specific store; a national community (farmers, teachers); public safety (e.g., retail crime); or national interests — manufacturing, shipbuilding, healthcare, education. Almost anything — by design. Recirculation may or may not be involved.

'Laser surgery' for society's challenges and opportunities — today and tomorrow.

Money and the Art of Flow

Earlier we saw how three core money flows fuel most of our major problems. We've covered the *inefficiencies* of our money supply — its ponderous recirculation through the economy. So far we've only touched on its *effectiveness* — getting it to where it can do the most good and provide the most value to the nation.

We've seen the process for unlocking value from the inefficiencies of the existing money flow. But how do we create a flow to feed this process — and increase the recirculation rate of consumer money?

As we noted earlier, the word "currency" comes from the Latin *currere* — "to run or flow." While it serves as a store of value, money's primary purpose is to move through our economy — to facilitate the exchange of goods and services — economic *activity*.

The economy isn't *random* flows of money — it's not a product of nature. It's an amalgam of *human-created flows*. Each group or individual creates its own flow for its own purpose:

- Government – enforced taxes and fees to fund shared infrastructure and public services.
- Commercial banking – regulated money creation and financial services for profit.

- Credit-card networks – leverage of debt through merchant networks and card-issuing banks for profit.
- Healthcare system – once focused on *health*; now on *profit* from "care" (about 20% of GDP).
- Business corporations – maximizing revenue and profit for shareholder gain and executive wealth.
- Nonprofits and foundations – pursuing donations, grants, and revenue to help subsets of society.
- Workers – building a personal flow; for our 'swimmers', paddling in the open ocean.

Each flow is only as strong as the force behind it. Force doesn't guarantee efficiency, and swimmers don't register on oceanic scales. All these flows combine to form the currents in our economic ocean. The key point is that every one of these flows is *created*. That means *new flows can be created.*

> Creating flows — the currents that move money through the economy — is part human behavior, part math, and mostly financial engineering.

Wall Street, for example, is full of highly skilled financial-flow engineers — from financial services providers and investment managers to lobbyists. So is Silicon Valley. So is Washington, DC, and every state capital.

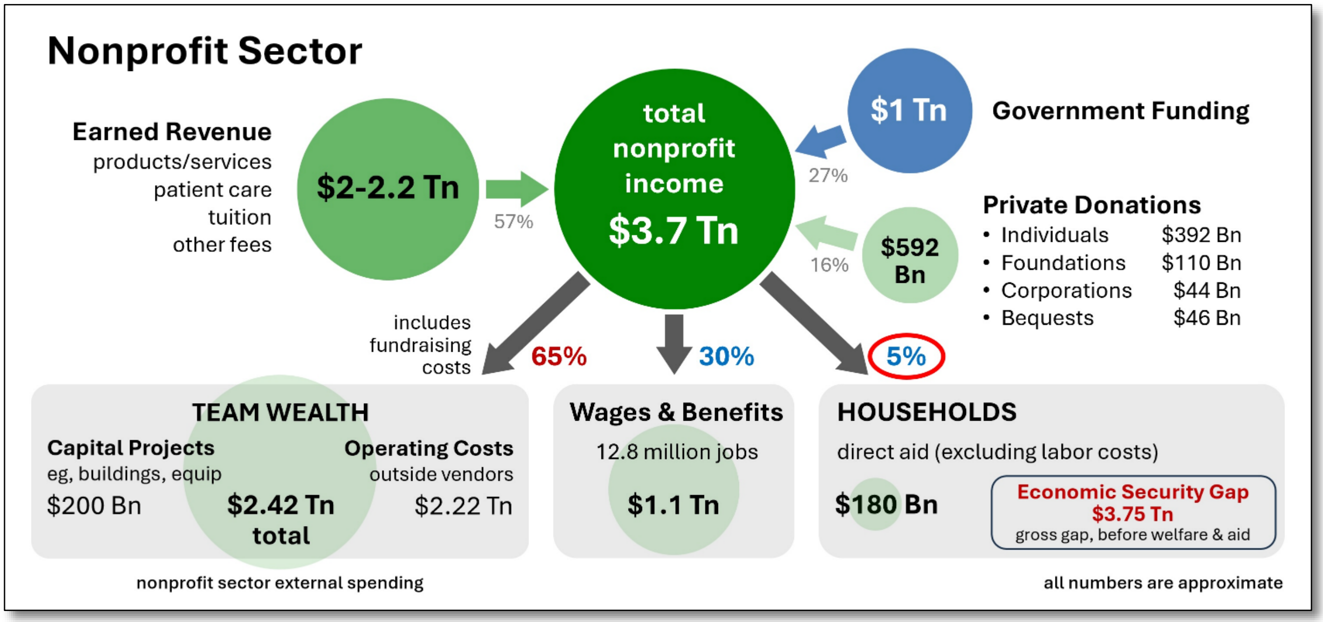
The Team Society Flow Makers

Team Society has two major components — government and the nonprofit sector. Here's a quick snapshot.

The four levels of U.S. government — federal, state, county, and city — build and maintain public infrastructure, provide public services, and support households with welfare programs. Excluding uniformed military personnel, they employ about 23.5 million people (3 million federal, 20.7 million state and local), roughly 15% of payroll jobs. They disburse about $10.29 trillion annually. Government consumption and investment account for 17.3% of GDP.

There are about 1.6 million nonprofit charities and social-welfare advocacy organizations in the U.S. — one for every 213 people. Most are very small and have no payroll. Roughly 300,000 are nonprofit employer establishments providing 12.8 million payroll jobs. About 10.3 million people report a nonprofit as their main job. In 2023, 75.8 million Americans volunteered for nonprofit organizations.

Here's the flow of money to and from the nonprofit sector — government's smaller partner in Team Society:



Only about 5% of the money flowing out of the nonprofit sector is direct aid to households — equivalent to roughly 30% of private donations. About 65% goes to Team Wealth and 30% funds nonprofit staff.

When a benefactor donates money to a foundation, the gift is generally tax-deductible, subject to IRS limits. Private foundations must distribute at least 5% of the average fair-market value of their noncharitable-use assets each year in qualifying distributions — primarily grants to public charities, plus certain direct charitable expenditures and reasonable administrative costs. The remaining balance is typically invested. (Community foundations and donor-advised funds are not subject to the 5% rule.)

This combination — tax deductibility, a 5% annual payout requirement, and investment returns — has led U.S. private foundations to hold roughly *$1.3–$1.6 trillion* in financial assets. Only the minimum 5% payout is required each year, so a large balance remains invested — not yet deployed for its stated purposes. This balance is idle Team Society capital, not yet working for the team's goals — an untapped resource.

The Giving Pledge was launched in 2010 and asks members to commit to giving at least half of their wealth to charitable causes, either during their lifetimes or in their wills. As of July 2025, it had 194 U.S. signers; 110 of those signers were still billionaires, with a combined net worth of about $1.7 trillion. The original 2010 pledgers have given an estimated $206 billion to date, of which about $164 billion (80%) went to private foundations. In 2023, the 44 private foundations established by the living original pledgers held a total $120 billion in assets, and reported a median payout rate of 9.2%.

Meanwhile, in May 2025, Candid reported, "19% of nonprofits receiving government grants — over 14,000 organizations — would run out of cash in three months or less if their grants cease, jeopardizing 2.8 million jobs. That rises to 22,400 organizations and 4 million jobs in six months." *Over 30% of jobs in the nonprofit sector rely on government funding for their continued existence*. Candid also reported: "7 in 10 nonprofit staff will look for, or consider, a new job this year."

There's a common perception that nonprofits pay substantially less than Team Wealth. Average nonprofit pay is nearly on par with for-profit pay — about 97% of for-profit wages in 2022. A large share of nonprofit employees are professionals in hospitals and universities in high-cost metro areas — those roles pay competitively, pulling the average up. Small charities, human services, and the arts pay much less.

In 2024, the median CEO pay for nonprofits with budgets of more than $50m was $559,770 for men and $430,640 for women. A CEO earning $500,000 running a $100m nonprofit is receiving 0.5% of the organization's receipts. Apple's 2024 revenue was $391 billion. Its CEO, Tim Cook, earned $74.6m in 2024 — less than 0.02% of the company's revenue. As a portion of revenue or total receipts, this nonprofit CEO's pay rate is about 25X that of Apple's CEO. There are many ways to make comparisons.

But no comparison changes the fact that 42% of American households lack access to the essentials of modern life. Many are part of Team Society — government and nonprofits — with their combined 35 million employees and national Total Net Social Spending of 30% of GDP. That's $8.7 trillion. And collectively we're not covering the $3.75 trillion Economic Security Gap.

Team Society can benefit greatly from better money-flow engineering, especially when it's aimed at the underlying causes of our biggest problems, rather than at the tips of our societal flames. We owe our 'firefighters' an enormous debt, but it will never be paid by just continually refilling their water pistols.

'Currere, Infans, Currere'

2,000 years ago, the engineers who built Rome's aqueducts — channeling water through hills and over valleys, then throughout the city to ensure everyone had water *security* — may have said in their native tongue, "Currere, infans, currere" — *flow, baby, flow*. That steady supply of water to everyone kept the city alive. Without it, the Roman era may never have existed.

The Romans who created their primary *currency*, the Denarius, may have said the same thing. Water keeps people alive, but money is the lifeblood of society — it keeps society alive and functioning. The Denarius for Romans — today, the dollar for Americans.

Money flow — its movement between people and organizations — is the most meaningful interaction in any society.

The challenge faced by Roman engineers in getting water to their fellow citizens was conceptually the same that we face in making economic security available to all Americans — finding and tapping into a resource at its accessible source … feeding it into a distribution system, a network of 'pipes' … creating sufficient flow throughout the system … moving the right volumes to exactly where they're needed … providing storage for periods of low 'rainfall' … and drainage after it's served its purpose — with the base resource then continuing on its way through the natural system.

All with the least possible effort and minimal waste — maximizing efficiency and effectiveness. *It worked* — extremely well.

You can visualize the economic security system the same way — a 'digital network of pipes' that everyone, and every organization, whatever its type, can connect to (subject to lawful conduct). Think of the underground pipes in a modern city — delivering water to households and organizations, and moving it away once it's been used. Or the pipes in your home doing the same — supplying water everywhere you need it.

Because we live in the 21st century and economic security involves money rather than a physical resource, our 'pipes' use digital infrastructure — we don't need to build physical pipes. We build the catchment mechanism — the 'access points' — and the valves, faucets, and controls to create and optimize the flow — the same sort of things the Romans built 2,000 years ago with their water system.

Think of it this way: to open a 'valve', apply a discount … to increase flow, increase the discount … to partially close a valve, apply a fee … to close it fully, disable that path … to split a flow, dividing it between two or more smaller 'pipes', portion the money … to prioritize one path, make its pipe bigger.

To slow a flow, pay interest … to make a flow inflation-proof, index the interest to inflation … to catch 'local rainfall', attach promotional sweepstakes to de facto 'serial numbers' on incoming funds.

To reach a household, assign an account number. To stop 'evaporation' and waste, 'quarantine' the money from general use. To increase *efficiency*, recirculate the supply (much easier with money than water). To increase *effectiveness*, direct funds only to households lacking economic security, and only in the amounts needed — household by household.

The valves and controls differ, but the logic is exactly the same. The art of flow is engineering.

One of the problems governments have in allocating welfare is that they can only adjust it *horizontally* — in layers. Everyone who qualifies gets the same increase or the same decrease. Inevitably, some get more than they need and others get less. During COVID, 72% of federal Paycheck Protection Program (PPP) funding went to the top 20% of households, income-wise. Our welfare system has become a system without off-ramps — or with woefully difficult ones. Once people are in it, it's very difficult for them get out — impossible for most of our 'swimmers' to get ashore.

But an economic-security flow-management system — like a municipal water supply — can switch a household's supply on conditionally, then adjust it as needed. It works *vertically*, moving households — singly or in groups — from *in*security to security, one 'slice' at a time, from lacking access to essentials to having them. It builds off-ramps — removing people from the welfare system entirely and onto solid ground.

This means it can help people in differing circumstances efficiently and effectively. Consider two otherwise identical households, with the same income and standard of living. By chance, one faces crippling medical costs; the other doesn't. 'Vertical' adjustments can address those situations. Managing welfare 'horizontally' makes that impossible. Household needs are unique. Government welfare is horizontal — driven by broad formulas — making efficient, effective help impossible.

To make economic security accessible, we take a page from the Roman water-supply engineers' handbook and implement it with modern technology — *currere, infans, currere … flow, baby, flow.*

Our economy is made up of money flows designed to serve the interests of organizations, their executives, and, where relevant, their owners. These flows were created — they didn't 'just happen'. Money flows created by individual households are like those of ants trying their best to dog-paddle upstream in a raging river.

By using the process for increasing the recirculation rate of our money supply,
we create a general purpose money flow.

By making it also serve the self-interests of all those who choose to use it,
we make that flow extremely powerful.

By directing it to struggling households, ***we provide access to economic security.***

By allocating portions to national strategic needs — inflation control, employment, healthy-food production, manufacturing, shipbuilding, workforce reskilling
— we strengthen the economy and national security.

Everyone wins.

Engineering the Process

In creating a system to implement the process for increasing the circulation rate of our consumer money supply, we need something that will feel familiar to people and organizations — and be very easy to use.

The U.S. dollar as we know it today has evolved since the first U.S. dollar coin was established as the nation's standard money unit in 1785 and adopted by the new Republic in 1792 as its basic unit of account. Prior to the Federal government starting to print USD notes in 1861 to finance the Civil War, thousands of private banks in America printed and circulated their own banknotes. In the 1860s, federal reforms began consolidating the currency into a more uniform national system.

In 1971 the U.S. abandoned the gold standard for the U.S. dollar, under which central banks could exchange U.S. dollars for gold at a fixed rate. The U.S. dollar became a fiat currency – one that isn't backed by a physical commodity.

Money as a Social Technology

Currencies evolve as societies evolve. They help societies evolve. Currencies are not static fixed things. Their forms change and their values evolve – daily, through exchange rates; monthly and yearly, from inflation and government fiscal policies. Over even longer periods, existing currencies evolve, and new currencies are developed to meet new needs and ideas. Cryptocurrencies are the latest example of this, although their use as money has been very limited to date. They're primarily high-risk investment assets.

In addition to the roughly 180 different fiat currencies created by national governments, there are thousands of community currencies, and hundreds of complementary currencies. There's some overlap between these last two types.

Community currencies, or local currencies, aim to use money as a tool to achieve social or environmental objectives. They can be spent in a particular geographic locality or other form of community at participating organizations by groups with a common bond such as residents of a town or city, or members of an association or online community. They are structured to help achieve the goals of the community. There are currently 87 community currencies in use in the United States.

Philadelphia had a community currency called "Equal Dollars" from the 1990s to the 2010s. It was run by a private nonprofit. Members earned "Equal Dollars" by providing services or volunteering and spent them at participating merchants, markets, and an Equal Dollars store. It was discontinued as participation and funding waned and the admin burden grew.

Complementary currencies serve broader markets than community currencies. They supplement or complement national currencies, and aim to protect, stimulate, or orient the economy. There are currently 287 complementary currencies listed in the international Complementary Currency Resource Center database — more complementary currencies than fiat currencies.

The Swiss WIR is the longest running and one of the most successful complementary currencies. Founded in 1934 and still in use, it operates alongside the Swiss franc in a closed network of tens of thousands of member firms and annual trade volumes in the billions of Swiss francs. It helps members conserve cash and smooth trade, especially in downturns.

> "Money is simply a social technology and the ways in which it is designed, produced, and controlled — far from being neutral or predetermined factors — all influence the effects it has upon society at large."

Today the U.S. dollar is not backed by a physical commodity. It's backed by the Federal Government's "full faith and credit" – its promise "to honor its debt obligations and maintain the stability and value of the currency." The dollar is designated by the government as "legal tender". Meaning that everyone in the U.S., including the federal government, must accept it as "payment of a monetary obligation." This legally binds everyone in the U.S. to accept the dollar, and "the promise."

There is no federal law mandating that private businesses must accept cash payments. Some states and cities have adopted bills requiring retailers to accept cash to protect consumers who rely on cash, especially those without bank accounts. Other forms of payment require the acceptance of the recipient, including payment by check or credit card. No one is forced to accept those forms of payment. Anyone can accept anything they choose to accept as payment. For example, a few organizations choose to accept Bitcoin. It's totally their choice.

A 'Team Everyone' Currency

Our basic *system goal* is to increase the recirculation rate of our money supply. To do that, we need to:

- create more consumer money recirculation loops, whether actual or virtual closed loops
- effectively quarantine the money captured by the recirculation process before it's released back into the wild, ensuring its original owner gets it back when needed (or just before)
- remove household and 'employer' holding times from the cycle
- make the system feel familiar and easy to use
- incentivize people and organizations to use it
- keep clear of bank-style credit creation

— while being able to direct money to where it's most beneficial.

> The best way to achieve these goals is to use
> ***a complementary currency that behaves like a community currency,***
> strengthening both the U.S. dollar and the communities it serves.

In the rest of our story, we'll refer to this 'Team Everyone' currency as the "societal currency," abbreviated to SK$s. ("SK" being tech-bro shorthand for societal currency.) Everyone, and every organization, is part of our society — whether they identify as Team Society or Team Wealth, or both.

Its full internal label is SKUSD, meaning it's the societal-currency counterpart to the USD. The name and labels may change prior to public release.

The societal currency isn't a cryptocurrency — cryptos aren't compatible with our requirements and operational needs.

Basic Features

Here are the basic features of the societal currency:

- One U.S. societal dollar has the same value as one U.S. dollar — SK$1.00 = $1.00.
- The societal currency is used by individuals to pay organizations that choose to accept it, and by organizations to pay individuals and organizations that choose to accept it.
- Any organization or sole proprietor business accepting the currency is defined as an "SK Merchant".

- Individuals can generally only use SK$s to pay SK Merchants.
- Merchants can pay SK$s to employees (subject to employee agreement) or other SK Merchants.
- Individuals cannot pay SK$s to individuals unless the recipient is a genuine sole-proprietor business and registered as an SK Merchant.
- SK$s cannot be used for international business-to-business payments. (We stay in our lane.)
- There is no paper or printed version of the societal dollar — it exists electronically as a balance in a user's account.

Payment Methods

The societal currency payment methods are those people are familiar with:

- Use a physical debit card, including tap, insert, and swipe methods with existing point-of-sale equipment at SK Merchants.
- Add your debit card to existing mainstream wallets on smartphones.
- Make payments online using your debit card with authorized SK Merchants.
- Use the societal currency desktop app or mobile app.

Our Promise

Perhaps the primary characteristic of the societal currency is that merchants, unlike individuals, generally have the option of using SK$s to make fiat payments to parties that don't accept the societal currency when they need to. We refer to this as SK-to-fiat payments.

This differs from individual users, who generally can only use SK$s to pay SK Merchants, with some very limited exceptions allowing them to use SK$s to make fiat payments.

While the U.S. Government promises to accept the U.S. dollar as "payment of a monetary obligation," our promise to SK Merchants is different:

> **We promise to convert SK$s into fiat payments to third parties for SK Merchants, when and if they need us to, at par (SK$1.00 = $1.00), with no transaction, conversion, or service fees.**

A Value-Based System

The societal currency provides real value in excess of its face value. We create that extra value and deliver it to both society and government, for those who use the currency and those who don't, along with additional financial value for the individuals and organizations who use the currency.

> **This allows us to provide societal currency at an effective discount, have it used at its full face value, and later exchange it back into fiat currency at its full face value. That's how we route existing money through the recirculation-acceleration process.**

No lending or debt is involved. Legally we are a payment services business, not a bank.

The value margin — the difference between the societal currency's discounted fiat cost and what it's ultimately worth in real terms — covers the currency discount, the system operating costs, wealth-creating profit for those investing in creating and operating the system and for users of the currency, and other incentives for people and organizations to use the currency.

A Complete Ecosystem, Not Just a Currency

The societal currency is central to the overall system for unlocking the value restrained by our slow-moving money supply. But the currency requires the complete system to do its job.

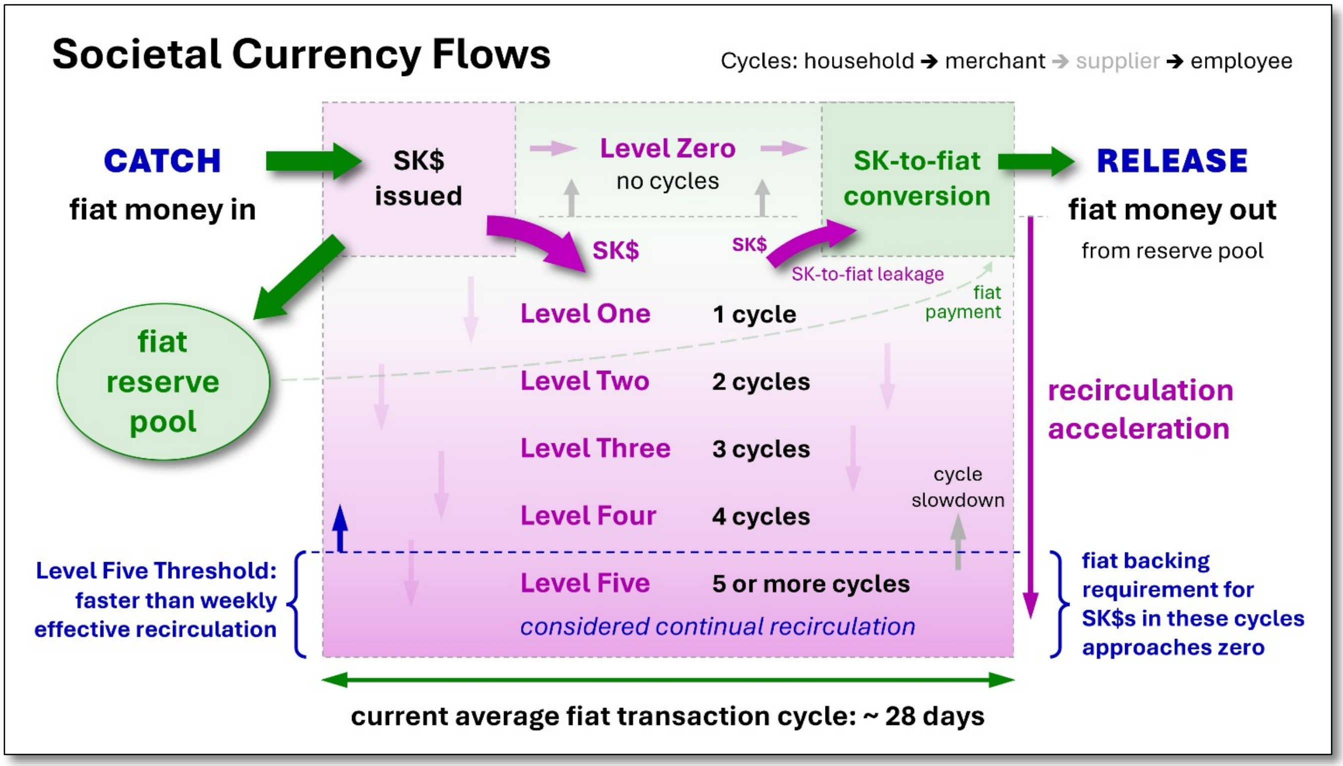
We need to fill in some more pieces of our jigsaw puzzle to answer a series of important questions:

- How do we transform the broader economic value into monetary value for users of the currency?
- How does this work for individual users and merchants — what's the use case?
- How do we control the discounted purchase of the currency and its redemption to prevent a run risk?
- How do we cover the SK-to-fiat merchant liabilities — the asset backing for the societal currency?
- Have we addressed the regulatory issues associated with a payment processing service — anti-money laundering (AML), know-your-customer (KYC), consumer protection, and licensing requirements?

To answer those questions, let's start by visualizing the flows of the societal currency before we move to the other components of the system. One thing to keep in mind as the rest of our story unfolds:

> This is a high-stakes game. There is no solving part of our core economic and societal problems — they're too intertwined for that. Nor can we solve them in just part of the country.

Accelerating Recirculation



Fiat money enters the reserve pool; SK$s are issued. SK$s cycle among households and merchants; the more cycles, the faster the recirculation. Fiat money only exits the system when merchants initiate an SK-to-fiat payment. Adoption is about maximizing cycles while minimizing cycle slowdown and fiat leakage.

The process makes use of existing money when it would otherwise be sitting idle. When necessary, it returns fiat for its traditional use. It uses native SK$ transactions whenever possible to move money through the economy faster and more efficiently.

As money moves through the economy, the number of transactions between consumer spending events ranges from 5 to 6 for fresh produce, up to 15 or 16 for complex products such as electronic devices, with most goods averaging 10 to 11 transactions. Using a rough average of 10 transactions, the 279-day recirculation time of our consumer money supply from household to household implies an average holding time across all involved entities of roughly 28 days (about four weeks). These holding times are the idle periods we're aiming to make use of.

The overall objective is to have the money move through household hands more frequently without increasing the fiat money supply. Money in the fiat reserve pool is temporarily removed from circulation.

Now we'll look at the other components of the system before we see how they play together like instruments in an orchestra.

Paying for Itself – Engineering the Enterprise

For most people, organization structures are as boring as oxygen, yet they can be as tricky as Machiavelli and have mission-critical consequences. Pathfinder's organization structure is just as important to our success as the societal currency.

Our story noted earlier that when we incorporate an organization, we're forced to choose between Team Wealth or Team Society, and expected to stay there. In our case:

> **Our need is not just to combine wealth creation and societal improvement within our own organization. We need to do it in a way that allows every person, and every organization, everywhere, to combine those two pursuits.**

The people who first promoted the absolute supremacy of the shareholder in the 1970s got something right — the value of making one goal supreme above all others. We have both societal goals and financial goals. They traditionally don't mix well together — each creating its own highly motivated and ideologically committed locker room, dedicated to winning for personal satisfaction and their own version of gain.

Let's start by clarifying our role.

Pathfinder's Role

Pathfinder's role is to create and operate the societal currency system, for everyone, everywhere. This means building, implementing, managing, adapting it to different environments, maintaining, and continually improving it, for every person and organization that chooses to use it — and for those who don't use it.

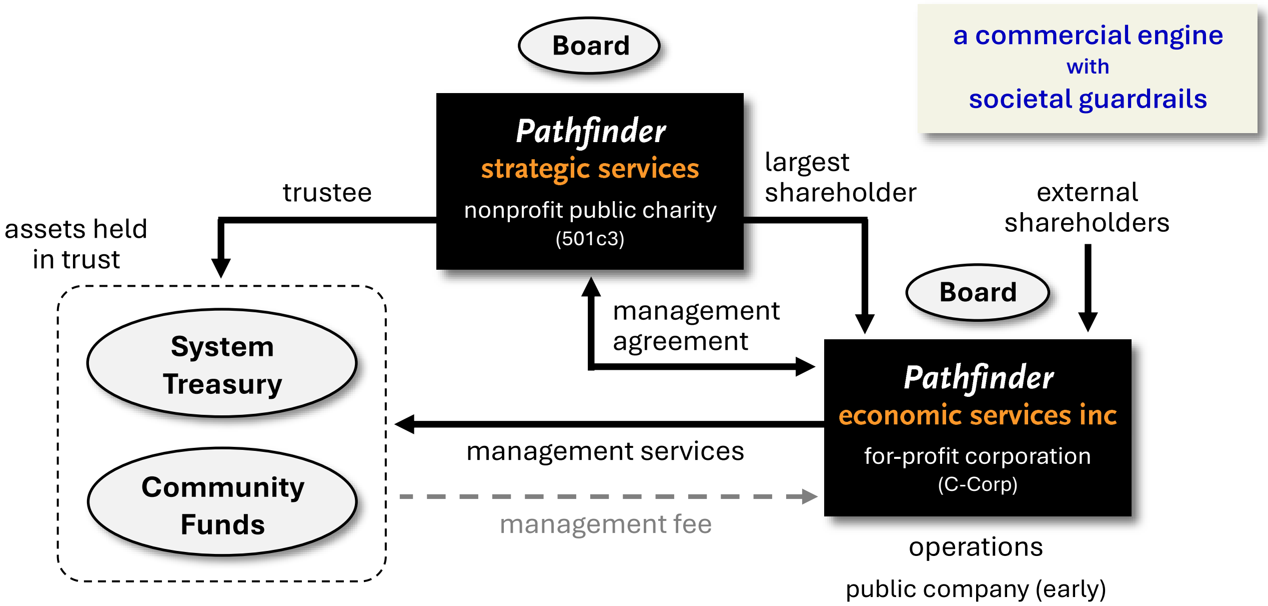
Organizational Requirements

Our structure is driven by very specific requirements:

- Maintain the supremacy of our societal goals while maximizing the creation of wealth.
- Raise large amounts of capital in both the societal improvement and commercial investment markets.
- Provide attractive financial returns for our investors.
- Attract, motivate, and retain high-caliber staff with specialized skills in competitive labor markets.
- Ensure societal community funds are used exclusively to benefit the societies we serve.
- Quickly make the organization self-funding with respect to its operating costs.
- Provide an exit mechanism for our investors and users of the societal currency so they can access the wealth we jointly create.
- Align the interests of societal currency users, our organization, our investors, governments, and all members of society.
- Maintain and protect the integrity of the organization and its role in society, indefinitely.

These lead to the structure of the organization, which has two primary entities.

Organization Structure



Pathfinder Group

Pathfinder Strategic Services

Pathfinder Strategic Services (PSS) is a nonprofit entity, registered as a 501c3 public charity with the IRS. It's the custodian of our societal goals. It derives its power and supremacy in the group from being the trustee of funds — societal and fiat — held on behalf of the communities the Pathfinder Group serves.

Funds held on behalf of communities and users of the societal currency reside in the system treasury fund and specific community funds. These funds are quarantined from PSS's own funds to ensure absolute financial clarity — PSS cannot use treasury or community funds for its own internal purposes.

PSS is responsible for its own fundraising and ensuring it covers its own operating costs. PSS can receive funds from Pathfinder Economic Services (PES) to cover its operating costs, subject to approval by the PES Board.

Pathfinder Strategic Services has its own board, and will be the largest shareholder in Pathfinder Economic Services Inc. Its shares in PES can only be used for Pathfinder's societal mission — they cannot be used for the creation of wealth for any other entity, nor for the personal gain of any individual. They are, in effect, internally held shares.

Pathfinder Economic Services Inc

Pathfinder Economic Services Inc (PES) is the operational arm of Pathfinder. It builds, operates, and manages the societal currency system. It's a for-profit C-Corporation.

It raises the capital required to build and implement the societal currency system. It provides services to Pathfinder Strategic Services, trustee of the societal and community funds, via the Management Services Agreement it has with PSS.

It will become financially self-sustaining as quickly as possible. Its shareholders include Pathfinder Strategic Services and external investors.

Pathfinder Economic Services intends to become a publicly listed company as soon as realistically possible — most likely via acquisition of a public company or through an arrangement with a special purpose acquisition company (SPAC).

A SPAC provides a faster, more certain, and typically cheaper alternative to a traditional initial public offering (IPO) by merging directly with a pre-existing, but currently unnamed, "blank-check" company that's already publicly listed. This bypasses the lengthy IPO process and market volatility and can achieve public status and access to capital more quickly. Using a SPAC to take PES public could be achieved by working with an appropriate party to create a SPAC, or by acquiring a SPAC sponsor's stake to gain control of an existing SPAC that hasn't yet made an acquisition.

> **By becoming a publicly listed company, Pathfinder Economic Services provides an exit mechanism for investors, staff, and holders of societal rewards and shares to access their portion of the new wealth they've helped create.**

Pathfinder Economic Services has its own board of directors. The board is responsible for maximizing the returns for PES shareholders, within the guardrails of the Management Services Agreement. (Noting again that Pathfinder's founder and the PSS board and leadership are precluded from financial equity in PES.)

There will be overlap in the membership of the PSS and PES boards to ensure full understanding and cooperation across the group.

> **"Good boards don't create good companies, but a bad board will kill a company every time." — Silicon Valley proverb**

Management Services Agreement

The Management Services Agreement provides exclusive authorization to Pathfinder Economic Services to manage the treasury and community funds, and makes it responsible to Pathfinder Strategic Services, as trustee of those funds. It authorizes PES to build and operate the societal currency system, and secures PES's role in doing so.

It also defines the societal guardrails and guidelines within which PES must operate.

The Management Services Agreement can be altered, but only with the approval of the boards of both Pathfinder Strategic Services and Pathfinder Economic Services.

The Management Services Agreement is the mechanism that bridges the gap between societal goals and wealth creation. It removes the conflict between the two, and the murkiness created by multiple competing goals at the top of the goal hierarchy of an organization.

> **PSS establishes the societal goals and guardrails. PES is free, within those guardrails, to operate as a commercial venture that profits by improving society — maximizing the wealth of its shareholders as its supreme goal.**

Each entity can then maximize its results against its own single supreme goal.

This is a cleaner and more effective mechanism than becoming a public benefit corporation (PBC), which retains the problem of juggling competing goals within the bowels of the organization.

You'll see shortly how this also delivers a much better outcome for users of the societal currency, rather than pitting the commercial operation against the users. And how it removes the persistent conflict between Team Society and Team Wealth for everyone and every organization that opts to use the currency.

Business Model

Pathfinder Economic Services obviously needs to be paid for the services it provides — it's gotta make money.

As operator of the societal currency system, we need Pathfinder Economic Services, its management, and staff to pursue two primary metrics to maximize the effectiveness of the currency system:

- The number and value of financial transactions made using the societal currency.
- The non-SK assets held in the system treasury — to back the promise to merchants of converting their SK$s to fiat via SK-to-fiat payments at par value when and if they need it.

Maximizing the number of societal currency transactions and their value maximizes both its use and the rate at which it changes hands. This maximizes the accelerated movement of the consumer money supply through the economy — and household access to economic security.

Maximizing the fiat-related assets held in the system treasury protects the promise to SK Merchants and the safety of the currency and the entire system.

The Management Services Agreement will include a service fee, structured as a transaction fee on all societal transactions, plus an annual percentage fee on the non-SK assets in the system treasury, paid weekly and calculated daily. This is to drive those two key metrics we need PES to maximize.

At this stage it appears that a 1% transaction fee and a 1% per annum treasury assets fee will provide the right balance between PES profitability and overall system performance. This service fee can be changed by mutual agreement between the PSS and PES boards.

These fees are not paid by the users of the currency — there are no transaction service fees imposed on users. The management service fee is paid from the treasury fund — sustained by the financial performance of the overall system.

Pathfinder Economic Services is also free to generate other revenue streams within, and as extensions of, the societal currency ecosystem, within the guardrails of the Management Services Agreement.

The organization structure and the Management Services Agreement create a conversion hub: it captures broad economic gains and converts them into specific, bankable benefits for users, communities, government, and investors.

This hub sits between the general economy and the societal currency ecosystem. By connecting merchants, households, suppliers, government, and investors in one system — with clear guardrails and incentives — it turns system-wide value into targeted benefits for every participant.

Banking Services Access

The societal currency system, and everything that goes with it, is designed to integrate with the existing economy and our national fiat currency. It's a *complementary* currency system — it cannot operate without fiat money.

About 10% of Americans are unbanked — they have *no access to our banking system*. The banks don't want them — they see no value in them. Providing these people access to economic security inherently means getting them access to the banking system.

Likewise, any enterprise in the country needs access to banking services to operate.

In the U.S., there's generally no legal right for an individual or organization to have a bank account. First Lady Melania Trump has said that she and her son were refused banking services by a major bank, including the closure of an account. Andreessen Horowitz (also known as A16Z), one of the largest venture capital firms in Silicon Valley, has said it has seen at least 30 instances of portfolio companies and founders — mainly in the financial services sector — being debanked after they achieved scale, with accounts closed.

Those companies appear to have had a combined value well into the hundreds of millions — wiped out once those businesses lost banking access. There are countless other examples of accounts being closed — many undoubtedly for potential contravention of financial regulations, others by bank choice or de-risking decisions.

Obviously we can't expose the societal currency system to that risk, even though on balance the system will be very good for the banking industry. Banks typically hold loan-loss allowances of around 1–2% of their loan portfolio — accessible economic security for everyone will reduce credit losses, very substantially in the long term. And new economic growth will be good for the banking industry, along with everyone else.

We need to provide the unbanked access to basic banking services to give them an avenue to economic security and integration back into the mainstream economy. This is an absolute requirement to achieve our goals.

The solution: we'll buy a bank — a conventional licensed bank — keep it strictly quarantined from our societal currency operations, use it for Pathfinder's banking services, and offer anyone, and any organization, that is not contravening finance laws, a free online bank account with basic banking services. The bank will focus on home lending and other safe 'local' lending — on a national scale.

The bank will have its own executive management and board. Information systems and customer data will also be quarantined from societal currency operations. Anti-money-laundering (AML) and know-your-customer (KYC) practices will be rigorously applied, as per standard practices under banking regulations. This expertise will be shared across the group, assisting those same practices and standards to apply to the societal currency system.

Small local banks typically don't have the capital, technical capacity, or infrastructure to build 'industrial-strength' online banking applications robust enough to support national online service at scale. Those ~30 million unbanked people equate to "scale." PES will be building and implementing extremely robust financial account and transaction systems for the societal currency. Those systems will be "currency agnostic", and hence suitable for use in our quarantined fiat banking operations.

Other benefits of having our own bank are:

- We don't want fiat currency held in the societal currency treasury fund to be used within the banking system to leverage more credit-style lending that increases the fiat money supply, further debasing the value of the U.S. dollar. That would be counter to our money supply efficiency goals.
- By establishing a custom banking services agreement between PES and our banking subsidiary, we can maximize the safety of our fiat holdings and avoid potential exposure to loss of those funds through very prudent and conservative banking practices — something we would have limited opportunity to influence and minimal ability to monitor with an arm's-length bank.
- It avoids the potential risk of shareholders of an arm's-length service provider seeking less conservative banking practices (without breaching regulations).
- Without negating any of these conservative practices, we can leverage the reach and marketing benefits of the societal currency business to grow an initially small bank into a strong, thriving, expanding bank.

In Q3 2025, there were 4,379 FDIC-insured banks and savings institutions in the United States — a net decline of 138 institutions over the prior 12 months. In 2024 there were nearly 130 completed bank mergers and acquisitions, with only six new U.S. banks established during the same year. The smallest publicly listed bank, as of December 24, 2025, has a market cap (its current market value) of approximately $3.97 million.

If we buy a publicly listed bank, we could use that transaction to gain public listing for Pathfinder Economic Services. Any bank purchase requires regulatory approval.

The bank is a resilience layer — and a direct bridge into our fiat-based economy.

Our organization structure aligns the interests of those seeking to improve society, societal currency users, Pathfinder Strategic Services, Pathfinder Economic Services, its customers and suppliers, all our investors and shareholders, and the governments and members of the societies we serve.

Wealth vs Society – Merging the Teams

We saw earlier how the difference in approaches to funding has created a deep divide between Team Wealth and Team Society. The concept of transferable shares, coupled with stock markets for the sale and purchase of those shares — invented by the Dutch over 400 years ago and embraced by Team Wealth America — has become the greatest wealth creation mechanism on the planet. It's been central to making the United States the most powerful country.

While Team Society — with government as its senior partner and the nonprofit sector as its firefighters — relies on taxes (forced), giving (voluntary), and spending, then going straight back and asking for — or in the case of government, demanding — more.

We've just seen how Pathfinder's structure bridges the wealth-society divide — at least as far as Pathfinder itself is concerned. This structure doesn't bridge the gap between Team Wealth and Team Society — but it does provide the necessary foundations on both sides for building that bridge.

Our organization structure provides the hub that connects all the players to the societal currency ecosystem and converts broad economic gains into bankable benefits for users and stakeholders. But that hub is just that, a hub — it's not a bridge. It doesn't resolve the chasm caused by the dramatic difference in funding methods — or the deep-seated ideological difference in how money should be used.

We'll see shortly how we remove the barrier that locks Team Society into its funding approach — its inability to 'measure the length of a piece of oxygen' — not being able to measure inputs, individual shares, and outputs the way Team Wealth can with transferable shares and the stock markets.

But to understand how we bridge the divide between the teams, our story needs to take a short diversion.

A Short Diversion ... by Air

Warren Buffett has been very critical of the airline industry for "eating up capital" and having low profit margins. In 2020, his company, Berkshire Hathaway, sold off all its airline holdings. The airlines survived the COVID travel downturn, and their values have since rebounded. But was that due to profits in flight operations? No, it was mainly because the major airlines had quietly turned themselves into 'banks'.

The three major U.S. airlines had a combined stock market value of $36 billion, but their loyalty programs, which are wholly owned subsidiaries of the airlines, had a combined market value of $73 billion. More than twice the value of the airlines! In each of the three airlines, the loyalty program was substantially more valuable than the total value of the airline. That implied the market value of their flight operations was *negative* — about negative $37 billion. The airlines would need to pay investors to hold stock in just their flight operations!

COVID revealed this. The airlines had to borrow money to survive. United Airlines needed $5 billion. But banks wouldn't lend it money because the airline was too risky — its operations lacked the collateral to protect the lender if it couldn't repay the loan. The airline's loyalty program was a separate but wholly owned subsidiary, MileagePlus Holdings, LLC. It was valued separately from the travel operations, exposing the value of the loyalty program, a previously closely held secret. The loyalty program became the collateral that secured the loan. United's public reporting disclosed this information.

For the first time ever, the values of the three airlines' loyalty programs were exposed. As were the massive negative values of their flight operations. They lose money flying aircraft. A lot of money. But they keep flying to support their loyalty programs, which make way more money than they lose by flying aircraft. How (on earth) do they do that – make all that money without flying?

They progressively turned their flight miles programs into private reserve banks that issue their own virtual currencies. They control the supply of the currency, the flow of the currency, and the availability of goods to spend it on. They are the only entity that can convert this currency into fiat money. Their virtual currencies are their flight miles. They sell flight miles to partners such as Hertz and credit card companies, who use them as incentives to attract customers.

They control the use of the flight miles by limiting the number of them that can be used. The price their partners pay for the flight miles far exceeds the cost of passengers using them. For example, a partner might pay $250 for enough miles for a typical flight, while the airline's incremental cost is about $15 per seat. And the flight miles are purchased well in advance of their use, at an average of 1.2 to 1.4 cents per mile. The money is made by the loyalty programs, not by flying.

Purchasing flight miles has a similar effect to spending money on advertising. Offering flight miles as a reward encourages people to buy from the business or use its services. But unlike advertising, it's pay-for-results: no purchase, no miles.

Why the Diversion?

Because we use the proven concepts from these flight miles programs — not directly for the societal currency, but for what we call *societal assets*:

> **Societal assets** give everyone a financial stake in the well-being of society.
> They enable everyone, and every organization, to create wealth
> through the improvement of society.

The airlines' flight miles programs function as money-making rewards programs — they're profitable loyalty programs that attract and retain customers. In the societal currency ecosystem, societal assets perform the same functions as flight miles programs. More importantly, they apply Team Wealth's ideology on the best way to use money to the improvement of society — using it to create wealth as a primary outcome of the enterprise's activities. Investment rather than spending.

They also invest everyone in the financial success of the societal currency system, and Pathfinder Economic Services Inc as a publicly listed, traded company.

But what about that pesky oxygen?

How Long Is That Piece of Oxygen?

Yes, the oxygen — Team Society's inability to measure things the way Team Wealth does — the barrier to adopting Team Wealth's approach to the best use of money.

Remember those difficulties in societal improvement — lack of standardized means of measuring things, and businesses collectively contributing more to society than any other group.

The societal currency solves that. Its broad application in improving society, its focus on the fundamental nature of economic security being accessible for everyone, and its ability to be used by, and for, any type of organization, along with its adaptability over time — those features allow it to function as a broad method for measuring societal improvement — simply by the use of the currency. It's not perfect, but it works. And it removes the biggest barrier facing Team Society in moving to a 21st century financial playbook.

How do we measure the length of a piece of oxygen?
The societal currency is the oxygen.

Societal Assets

People and organizations acquire societal asset points *by using or buying the societal currency*. Societal asset points can also be purchased by partner organizations — primarily, but not only, SK Merchants — for use as reward points in promoting their own products and services, the same way airlines and their partners use flight miles.

Issuing societal asset points as rewards is *not restricted to societal currency users* — they can be issued to anyone, and any organization, of any type. This includes government agencies — isn't it in the interests of everyone that governments have another way to improve society and increase their capacity to fulfil their responsibilities?

The metrics and rules for earning, buying, and applying societal assets points will remain flexible. They will be adapted to circumstances and the needs of the time. The general focus will be rewarding users of the societal currency to help drive its adoption and broad use, and rewarding actions that measurably improve economic security.

They are also a central part of the rewards system for creating the behavior changes we want to see in our societies and communities. They allow people and organizations to drive changes suited to specific needs.

Like airline loyalty programs, they can provide financial security to underpin the societal currency if the need arises, by acting as a value layer the system can draw on.

Societal Assets for Wealth Creation

The value of societal assets and their points goes far beyond that of a rewards system. From a user's perspective, they are a means of creating and accumulating wealth, simply by participating.

Public companies often issue dividends to shareholders — a cash payment per share — if the company's financial performance allows. Dividend payments are at the sole discretion of the board. Dividends provide shareholders with a financial return without the need to sell any shares. The dividend history and policy of the company get baked into the share price by the market.

In a similar approach, societal asset points can be accumulated, and, at the discretion of the combined boards of PSS and PES, converted into stock options in Pathfinder Economic Services Inc. (The PES board will have final decision authority.) As a public company, this enables a holder of vested stock options to exercise them to acquire shares — often via cashless exercise — and then sell those shares on the exchange on which PES is listed — full-on Team Wealth wealth creation.

The full process for the conversion of societal asset points into stock options will be defined in the Pathfinder Societal Stock Options Plan, including eligibility, conversion ratios, vesting, exercise mechanics, tax treatment, and any sale restrictions.

Early-stage companies with rapid growth goals typically issue stock options to staff to align incentives, drive performance, and retain talent. In the tech industry, it's standard practice.

Issuing stock options has ramifications for companies — tax implications and the dilution of existing shareholders. Airlines tightly control which flights, and how many seats, can be purchased with flight miles to protect fare revenue and optimize their loyalty programs. Company boards manage stock options for similar reasons — as will ours.

Our *guideline ambition* for accumulating and converting societal asset points into stock options is this: a young adult who consistently uses societal currency (in addition to fiat currency) should create enough wealth by their thirties to cover a deposit on the purchase of a reasonable home. This is a current aspiration, not a prediction. Given the range of uses of societal asset points, we will likely have a specific 'savings' class of points that functions like a non-interest-bearing savings account.

This approach to societal assets will put us in a very unusual position — a very powerful one *if we manage it properly*.

- We need to be very careful to find the right balance between diluting the value of existing shares, maximizing the value of the business, and motivating and rewarding users, who are our de facto customers. Issuing too many stock options on a too intense vesting and exercise schedule could easily tank the value of the business, and potentially cause it to fail.
- On the other hand, the value of having users of all types feeling, and moving to becoming, shareholders in the operating business is … well, think of a profound word for 'large'. It's the most fundamental creator of business loyalty, enthusiasm, and support.

There's also enormous benefit to be gained from people being invested in the well-being of society — which is a key intent of societal assets. People generally do not damage things they have some element of ownership in. Or as Chris Rock once put it, with a slightly different nuance: "As much as they may want to, no one with a mortgage punches a coworker in the face."

If you're not familiar with the stock option process, here's brief summary.

The Stock Option Process

Different legal jurisdictions have differences in their securities laws and regulations relevant to societal assets. There may be differences in how societal assets work in different places.

Firstly, in our case, societal asset points are earned. Next is the conversion of points into stock options in Pathfinder Economic Services, Inc. A stock option gives the right, but not the obligation, to buy shares at an agreed-upon price (the "strike price") within a specific timeframe.

The legal stock option process involves granting, vesting, exercising, and selling the stock. Granting is issuing stock options — in our case, that's the conversion of points into options.

Allocated options cannot be exercised until after they have been vested. Vesting occurs once stipulated requirements have been met. Once the options are vested the holder has the right to buy shares at a the "strike" price within the defined timeframe. The "strike" price is the price the specified in the options plan. It could be based on the value of the company or a nominal price of, say, $1.00 or one cent per share.

Exercising stock options means buying the stock under the rights the options grant. To profit from stock options, the holder typically needs to sell the stock at a time of their choosing, the same as any other shareholder.

Vesting and exercising stock options have tax implications for the holder of the options. Regulatory and tax treatment varies by jurisdiction and by the type of option; the rules can apply at multiple points in the process (grant, vesting, exercise, and sale).

Societal asset points are not shares, not options, and not a tradable financial instrument. They function as non-transferable rewards points within the societal currency ecosystem. Securities law and tax compliance apply when we issue equity instruments (such as stock options), and at any later exercise or sale, subject to the rules of the jurisdiction — not before.

The Power of Another Dimension

Team Wealth learned the value of a new financial dimension quite some time ago. A business's financial performance operates in one dimension, covering revenue, profit and loss, and assets, liabilities, and shareholders' equity. The market value of the owners' shares resides in a different dimension — it's related to the information in the first dimension, very much so, but takes other factors into account — anticipated growth, competitive position, market opportunity, and other external factors.

As we saw earlier, the value of four major stocks averaged a 36x multiple of current profits. Stock prices can, and do, move independently of what's happening inside a company — *they exist in two different dimensions*.

Wealthy people take advantage of this. Rather than take a salary from the company they're running, they frequently choose to take no salary in exchange for a higher shareholding. They then borrow money to live on, using their shares as security for the loan. They don't pay tax on the loan, and if the share value is growing faster than the interest on their living-expense loans, they make more money and avoid annual income tax. They are taking advantage of playing in two distinct but related dimensions. (Real world Matrix stuff.)

The societal currency creates another new dimension — that's what allows us to accelerate the recirculation of consumer money and provide access to economic security. Collectively, we'll find many more uses for this new dimension. We can think of it as a third dimension, the first two being those described above.

Societal assets create a fourth dimension. Here's one example of how we may use it:

The physical health of the American population is a huge problem. Healthcare is very costly in the U.S., partly due to excessive profit-taking, but also because 6 out 10 adults have one or more chronic illnesses. (We should hold the food industry to account for their role in this.) Crippling healthcare costs are the single largest cause of economic insecurity in the country. A good solution to that national problem has, to date, evaded our leaders.

Here's the underlying problem any healthcare system faces. The risks of individual illness or accident point to risk-sharing via some form of insurance coverage — it's the only way to protect individuals from the risk of unaffordable healthcare costs. No news there. The issue that creates is that everyone is sharing the financial burden of everyone else's health — or lack of it.

The healthy person is in part paying the costs of the person in hospital for six months. One can argue, with justification, it's not fair for those who look after their health to carry the costs of those who don't. And fully insured people who don't pay more than others have less incentive to take care of their personal health and physical well-being. This is the fundamental dilemma in healthcare costs, and the inherent weakness in any socialist approach. But how is that dilemma solved?

Here's one approach we'll be exploring further as part of maximizing the effectiveness of our economic security ecosystem (this hasn't had any form of legal vetting yet):

- Pathfinder Strategic Services is a 501c3 public charity. (We could easily create another one for this specific purpose.)
- A public charity can pay someone's health costs — and if it isn't collecting any form of premium or consideration from the individual, it isn't operating as a health insurer.
- What if PSS (or another charity we create) were, in time, to pay health costs for economically distressed households as part of the economic security package, with no charge to the households? It would be funded through the accelerated recirculation of the consumer money supply; and …
- To overcome the inequity problem of costs accrued from the ill or injured not being balanced by mirrored savings to the healthy, we place some form of financial charge on the individual's societal assets account to balance, or partially balance, the medical expenses, which are paid by the charity.
- The medical expenses are paid from one dimension — the third in our scenario — and the equitable counterbalancing is done in another dimension — our 'fourth dimension'.
- In time, we could use our market position to contain unreasonable profit-taking in the healthcare industry, and help drive prevention.

Whether or not we can make this work (I intend to find out), it highlights the enormous power of having multiple dimensions available to operate in for solving problems.

> New dimensions open the door to solutions that were previously inconceivable.

The Picture in the Jigsaw Puzzle

Now that we have most of the pieces of the jigsaw puzzle laid out on the coffee table — with these new dimensions hovering over the surface — let's see how they fit together, fill in some gaps, and survey the picture.

As a banker friend once said to me, "Lending money is dead easy, getting it back is the hard part." In that same spirit, giving money to people who are struggling is relatively easy, but only if there's somewhere they can spend it. So …

Retail Merchants Take Center Stage

Societal currency merchants fall into two categories: those who deal with consumers — retailers and service providers — and those who don't. The latter are typically upstream suppliers. Recruiting those who deal directly with consumers, especially providers of essential goods and services, is key to establishing and expanding societal currency use. We have some tools to help with that.

Advanced Currency Features

The societal currency is more than just a fungible currency. You can think of it as an envelope with an amount written on the outside (the amount of money the envelope 'contains'). The envelope may be 'empty', in which case it's simply an amount of money, with no other parameters or attributes attached.

Or the envelope may contain something in addition to the amount — attributes that come with this particular payment, or parameters that apply to its use.

Examples include geofencing (geographic use restrictions or benefits); use only with a specified merchant; or with a specified product or service, category, or brand. Or it could include a code, or multiple codes, to operate sweepstakes. Or an ad, or a manufacturer's voucher. Or an interest rate with an expiry date. Or an inflation protection feature. Or an emergency-use-only tag. Or any number of other things that you might think of.

These advanced features will expand over time, including allowing SK Merchants to assign attributes of their own creation, within defined limits. These features may even become programmable. A societal currency envelope could have zero value and still contain an 'attribute' being given to the recipient.

Merchant Value Proposition

Our value proposition for merchants is this:

- Accepting societal currency will increase your sales, and likely give you a competitive advantage.
- Qualifying merchants can accept conventional fiat credit card payments and avoid card payment processing fees, with immediate access to funds.
- You gain automatic membership in our wealth-creating loyalty and rewards program.
- Accepting societal currency and paying it forward to your workers and supply chains puts you on track for 'Economically Secure Workplace Certification' — formal public recognition and promotion for supporting economic security.
- Qualifying merchants qualify for discounted purchase of societal currency, for use at its full face value in paying their workforce and suppliers.

Fiat credit card payments to merchants under this program are processed as payments to our system treasury, with the treasury absorbing the transaction fees, and the merchant receiving societal currency into their account. This effectively discounts the societal currency for the merchant. Retailers operate on low margins, typically around 8% or less. Saving 2–3.5% by avoiding credit card fees can be the difference between surviving or not, especially for smaller retailers.

Bulking up credit card payments allows us to drive down the fees. Processing these payments through our own fiat bank will keep a share of the fees within the Pathfinder Group.

The Economically Secure Workplace Certification program is something we'll establish, with at least two levels — 'members' are those accepted into the program and working towards full certification, which is for organizations that provide full economic-security-level wages and salaries for all their employees. This program can extend beyond societal currency users into the fiat world, with fees applying for fiat workplace certification.

The purchase discount on societal currency is additional to credit card fee savings, and is subject to overall system performance.

These benefits for SK Merchants are valves that open flows of fiat money into our catch-and-release process.

The societal currency system is not a bank — it's a payments and incentives network.

Other Users

Other ways that societal money can be introduced into the economy include providing managed purchase discounts on the currency to donors who donate SKs to qualifying groups in lieu of fiat; individuals or organizations converting fiat to SKs to gain access to our rewards program and other incentives provided by SK Merchants; government agencies using SKs once circulation reaches a comfort level for them; and merchants, nonprofits, and other groups buying SKs, discounted or not, for access to our rewards.

Individuals can receive societal currency as income or support in-kind, wage top-ups to economic security levels, or support benefits for those who cannot work. Those who can work but are not fully employed will be provided work, potentially at system treasury cost, subject to system performance.

Such ‘work’ could include participation in training and reskilling programs leading to placement with SK workplaces, or fiat workplaces that accept ‘SK employees’.

Those who cannot work will be encouraged to contribute to society in whatever ways they reasonably can.

Note again that individuals can only use the currency to pay authorized SK Merchants. Transfers to other individuals are not permitted. Bill sharing will be allowed, but in a manner that doesn’t involve individual-to-individual transfers.

We expect individual users of SKs and households will use a combination of fiat and societal currency in their daily lives.

Implementation Focus

Our implementation focus will be on merchants providing essentials to households and their supply chains, organizations employing workers below the Economic Security Threshold, and the people living and working below that threshold.

Our initial industry focus will be food, childcare, healthcare, and technology access — the latter being necessary for access to the system, and for training and reskilling. These are basic enablers conducive to SK adoption, along with daily transportation services, subject to the transport mode. Gig workers will also be a focus — by definition they’re economically insecure.

Our merchant value proposition varies in emphasis and motivational value across different merchant sizes. Small local merchants (think corner stores) will be heavily driven by increased sales volume, which will be relatively easy for us to drive. Larger merchants will initially be more attracted by avoiding credit card fees — especially as we begin to scale.

Currency footprints will also play into our implementation. There are two types — the geographic area in which the currency is being used, and the area in which support of workers and households is focused. For example, the usage footprint could be the greater Philadelphia area (with about 6.2 million people and a real gross metropolitan product of $460 billion), with the support focus footprint being the city of Philadelphia (with 1.58 million people and $111 billion real GMP). This type of approach allows us to focus the effectiveness of the system for demonstrable results, while still delivering benefits to the outer areas of the usage footprint. The edges of these footprints will be jagged, especially given variable supply chain locations.

It's important to understand that growing the system is essentially a network play, something Silicon Valley taught the world about. Networks of consumers and suppliers, suppliers and their supply chains, and so on.

System Management

Obviously the complete system needs very careful management, especially the relationship between the fiat reserve balance and the value of the SK-to-fiat payments. We will be monitoring the difference between the 'catch' rate and the 'release' rate very carefully.

It's important to remember that our promise to merchants is to convert their SKs to fiat payments to parties that don't accept the societal currency when they need to. Our liability for those transactions occurs when merchants initiate those transactions.

SKs held by merchants are not liabilities for our system treasury until SK-to-fiat payments are initiated. Prior to that, SKs held by merchants represent a contingent liability — merchants can initiate those conversions.

Individuals cannot make SK-to-fiat payments. (There may be some isolated exceptions.) This means that SKs held by individuals are not a treasury liability. They are not even an active contingent liability, but they become a contingent liability once an individual pays them to a merchant.

> **Key to the viability of the system is managing the treasury fiat backing for SK-to-fiat payments — so we can keep our promise to merchants.**

Obviously discounting the purchase of SKs, whether through merchant credit card payments or direct currency purchase discounts, creates a gap between the fiat treasury balance and the value of societal currency in circulation. Containing that gap — so the treasury's liabilities stay fully covered and its contingent liabilities adequately covered — is crucial. We need to make sure there can't be a run on the societal currency by SK Merchants.

It's worth noting that the history of currency asset backing has few examples of full asset backing.

But we have mechanisms for ensuring the safety of the societal currency and the trust in our promise to SK Merchants:

- The most powerful is the airline playbook — ramping up the revenue stream from our societal assets rewards and loyalty program — they way airlines make their loss-making flight services financially viable.
- We can purchase some essential products and services, such as broadband internet access for our household SK users, at bulk wholesale rates and charge the users the normal retail price, in SKs. The margin on the service or product reduces the contingent liability gap in the SK money supply.
- We can apply attributes to SK payments that lessen the potential liability gap.
- We can create other revenue streams, such as advertising.
- We noted earlier that PSS will be the largest shareholder in PES, the publicly listed operating company. As the system grows, those shares will become enormously valuable. As PSS is a 501c3 nonprofit organization, its assets can only be used in pursuit of its goals. We can use the market value of those shares to help secure — or potentially fully secure — the asset backing of our promise to our merchants.

Other primary system management functions focus on achieving the consumer money supply recirculation goals that pay for national household access to economic security — the reason for the system's existence.

Fraud Prevention

Fraud prevention is an issue in any financial system — it's something we'll be paying a lot of attention to, bringing in expertise from the fiat jungle and via our bank acquisition.

With societal currency, we have a huge advantage over the fiat financial system. The societal currency ecosystem is the only place where SK financial transactions can take place, and therefore only between users we've verified under our KYC policies. We can follow the money ... all the way — at least until after it's used in an SK-to-fiat transaction. Our last point of observation is the recipient of the fiat payment. Up to that point, we can see exactly where the societal currency goes, and who it goes to, every step of the way.

This simplifies fraud prevention within the societal currency system. It also helps us build the recirculation loops — showing us where and when incentives need to be applied.

We will, in particular, be scanning for anyone trying to game societal currency discounts by creating their own societal currency-to-fiat-and-back-again loops.

Being able to follow the money so closely will raise some 'big brother is watching' concerns from some people. Some see this as a big attraction in cryptocurrencies — user identities are concealed, at the expense of the transactions themselves being visible on public ledgers. This hasn't stopped law enforcement from seizing some crypto assets, or overseas intelligence agencies from analyzing transaction flows to identify funding sources and recipients in what they deem to be illegal organizations.

In the societal currency system, transaction records and account-holder identities are private information, not publicly accessible. We're examining a method for storing all societal user personal identification information (PII) in a separate entity, using encrypted or rotating account identifiers, so that even PES staff won't be able to see the name of an account holder other than in authorized circumstances.

We fully respect both user privacy and legal authorities. This includes financial regulations and their general application to the societal currency.

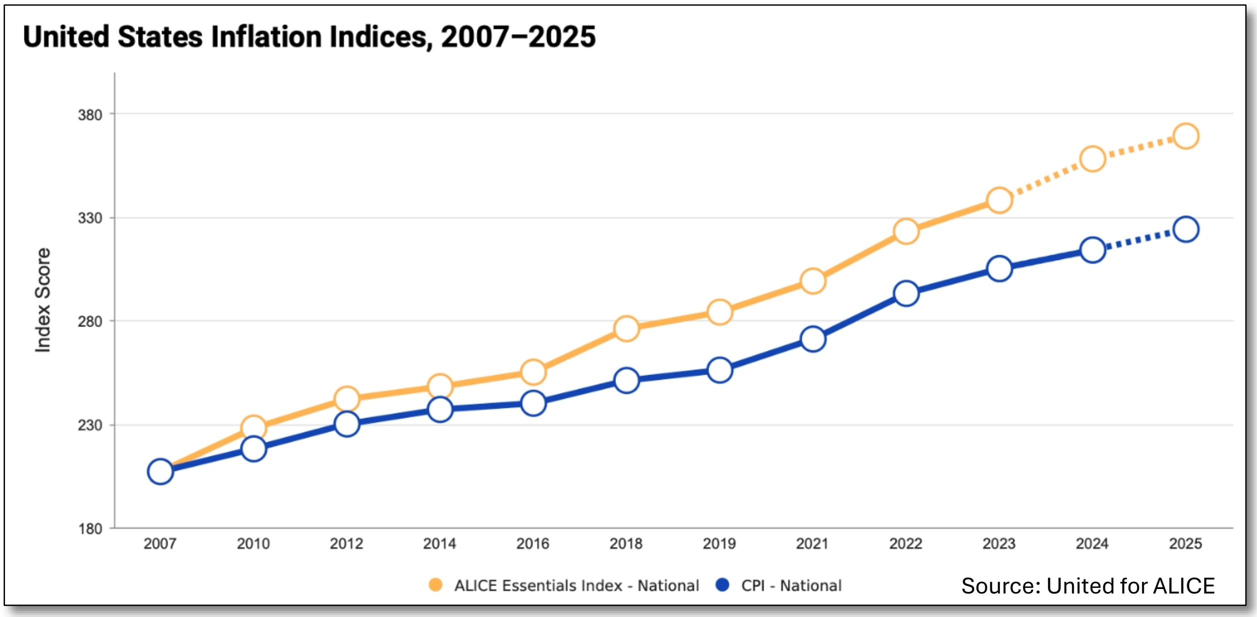
Our fiat banking operations will follow standard fiat-world practices, with societal and fiat operations quarantined from one another.

Containing Inflation

The Federal Reserve has national responsibility for keeping inflation and employment within acceptable bounds. Its main mechanism is setting a target range for the federal funds rate (the overnight rate tied to bank reserves), which influences borrowing costs throughout the economy. When inflation is high, they raise the rate to dampen demand and restrain prices — when unemployment is high, they lower the rate to encourage borrowing and economic growth. It's a dial they adjust that applies to the whole country. It's a blunt instrument — designed to move the whole economy, not to pick favorites or punish subgroups.

Essential goods and services generally experience higher inflation than other categories for a simple reason: people can't easily stop buying them — demand is relatively inelastic. That gives some providers more pricing power and the opportunity to raise prices because they can.

United for ALICE measures essentials inflation using the ALICE Essentials Index. It "measures changes over time in the costs of the household basics that matter most to ALICE and poverty-level households: housing, child care, food, transportation, health care, and basic technology." You can see how the cost of basics has consistently outpaced the larger basket of goods and services tracked in the CPI:



Increasing consumer spending to close the Welfare Security Gap will increase demand for household essential goods and services. This introduces the risk of additional inflation in these basics.

The societal currency system provides mechanisms for containing this inflation risk, and restraining inflation across a wider range of goods and services. These mechanisms include:

- Changing the discounts and other benefits available to an SK Merchant to discourage excessive price increases or reward those who "do the right thing".
- Increasing or decreasing the volume of societal currency sales that a merchant gets by encouraging, discouraging, or restricting sales of specific goods or services, or of specific brands.
- Applying pressure or rewards on a specific supplier in a supply chain.

The system gives us the ability to apply laser surgery where, when, and how, it's most effective. And we have the ability to develop more mechanisms as time goes by.

We will seek to work closely with policy makers regarding the use of these mechanisms and supporting their goals.

What About UBI – Universal Basic Income?

"*Why isn't UBI on the table? Isn't it a threat to this? I mean, it sounds a lot simpler*." Yes, it is … a lot simpler. Just one problem — it doesn't work.

Universal Basic Income is an approach to solving the national well-being problem that's been kicking around for years. It's often laid out as "give every adult $1,000 a month — problem solved". Multiple trials have been done to measure the impacts of unconditional cash support. (I'd like to be in one of those studies — make it a long one to establish the strongest evidence.) The trials do demonstrate that unconditional cash assistance does not result in strong work-disincentive effects.

Five problems UBI runs into — problems its proponents don't always talk about:

- The government can't afford it. The national debt is growing by about $1 trillion every five months, and the interest on that debt has surged. Where does the money for UBI come from?

- Creating or borrowing the money to pay for it — a never-ending process — compounds the underlying problem of our basic money flow: the money half-life, and new loans going mainly to those who can afford them. In making one of the three underlying causes of all our major problems (the "Son") worse, it would just add fuel to the fire.
- It's wasteful, and politically difficult – who gets it, who doesn't, what's the cutoff point? A lot of people who don't need it for basic essentials will get it, making it even less cost-effective. The classic problem of government welfare working in 'horizontal layers' when 'vertical slices' are needed.
- It's not enough — \$1,000 per month per adult — \$12,000 a year. For an average family of four struggling below the Economic Security Threshold, it's about half what they actually need.
- Without real methods for restraining inflation and avoiding price gouging, the cost of essential goods and services will ramp up the way they did during COVID – well above normal inflation rates — with CEOs on earnings calls saying, "We're raising prices because we can."

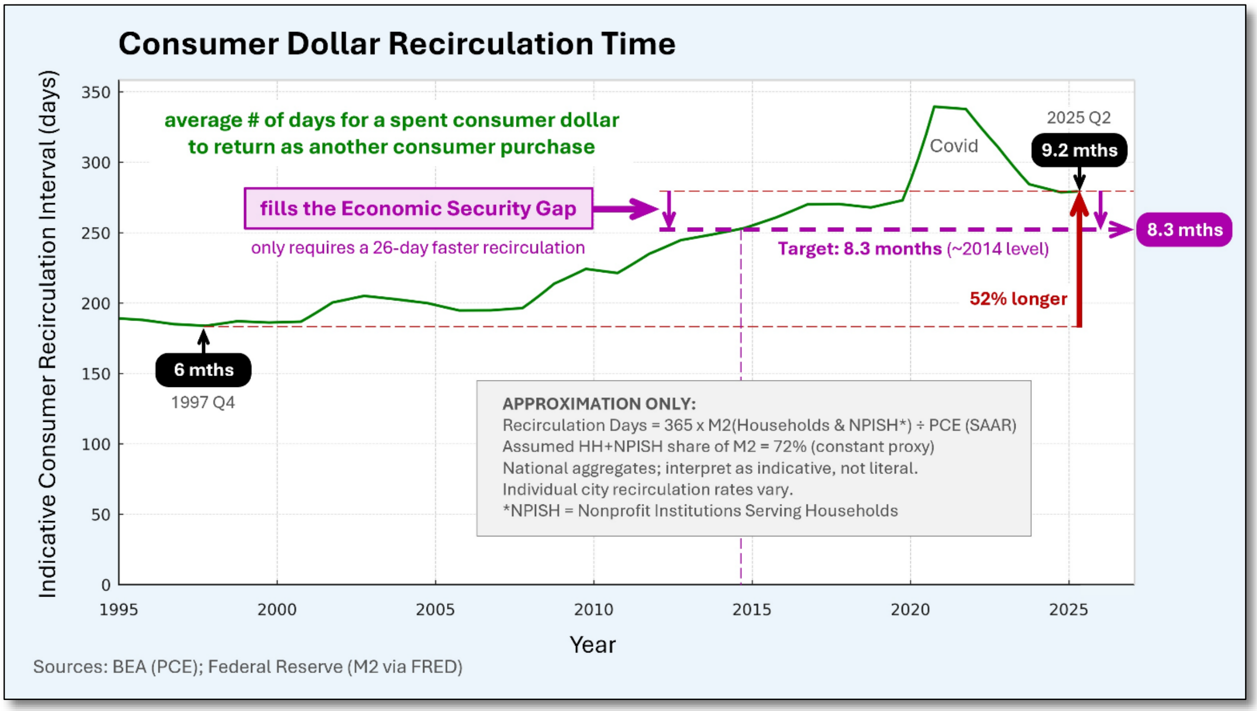
No — UBI simply doesn't work. It's not dead on arrival — as a national solution to household economic security, it was dead before it was even conceived.

A Sanity Check

It's time to do a sanity check on what we're trying to achieve.

The national Economic Security Gap is an estimated \$3.75 trillion (\$3.5–4 trillion). Of that, \$1.756 trillion is being covered by government welfare spending and direct household aid from the nonprofit sector.

That leaves an estimated \$1.994 trillion in new household spending that we're aiming to create by accelerating the consumer money recirculation rate — shortening the average time it takes for consumer dollars to be spent and cycle back to being spent by another household.



In Q2 2025, our consumer money was on average completing one cycle every 279 days, or 9.2 months. Back in 1997, it took 183 days, or 6 months.

So, how much faster do we need to move the consumer money supply to create that extra $1.994 trillion in household spending — to close the Economic Security Gap for every household in the country, based on the Q2 2025 consumer money stock?

The answer: **26 days**. We need to accelerate the recirculation time from 279 days to 253 days — from 9.2 months to 8.3 months. To create almost $2 trillion in new consumer spending each year — growing our GDP by roughly 6.6% over the time it takes to create that new spending, in addition to 'normal' GDP growth.

8.3 months is the speed it was moving at in 2014.

Plausible or not? You decide. This may help:

Our goal of speeding consumer money supply recirculation up by an average of 26 days is an average across the whole money supply — but we don't need to speed up every dollar by 26 days to achieve it. Our method is to make a small portion of the existing money supply go faster — much faster — and the faster we can make that portion go, the smaller the portion we need.

26 days across the national consumer money supply may sound like a lot, but when you translate it into how much of the money stock needs to move in these accelerated cycles, it's not much.

This shows how small a slice of the money stock has to move faster to achieve that same 26-day improvement:

Closing the National Economic Security Gap – Consumer Money Stock Used

accelerating a portion of the money stock to help struggling households

current average consumer money circulation time: 279 days

	Cycles per 279 days	Cycle Time		Money Stock Amount
Current Situation:	1	279 days		$14.83 Tn
Extra Cycles Added (for the subset used)		**Subset Cycle Time**	**Portion of Stock Accelerated**	**Amount Accelerated**
1	2	139.5 days	10.28%	$1.52 Tn
5	6	46.5 days	2.06%	$300 Bn
10	11	25.4 days	1.03%	$150 Bn
weekly	~40	7 days	0.26%	$39.2 Bn
daily	279	1 day	0.04%	$5.5 Bn

Each 'Extra Cycles' row sees the overall average recirculation time fall by ~26 days (279 to 253)

Each 'Extra Cycles Added' row reaches the same outcome — the national average falls by ~26 days (279 to 253) — it's just achieved with different loop speeds and different sized slices of the money stock.

As we add more cycles, the money moves faster, and the amount needed for acceleration gets smaller — while the rest of the consumer money stock keeps plodding along at 279 days per cycle.

If nine of us stroll at 1 mph and one of us drives at 50 mph, our average speed is 5.9 mph — a steady jog.

> Weekly cycles on roughly **0.26% of household money — about $39 billion — closes the entire national Economic Security Gap.**

I was surprised how little of our consumer money stock is needed once we achieve weekly cycles. Even modest recirculation gains across a small slice of household money deliver the full national lift.

Real-world implementation will involve *multiple* loop speeds, not just one, and the money stock itself won't be perfectly fixed. But the principle holds. It's the same mechanism we saw earlier in the Philadelphia example — now scaled. In practice, we start by adding cycles to very small amounts of the money supply, and grow both the number of cycles and the amount being accelerated until we speed up the national average recirculation by about 26 days — where it needs to be to make economic security accessible to everyone.

Just Another Money Flow

We saw earlier how different groups create their own money flows in the economy for their own purposes. The flow we're creating to households and societal currency merchants is just another flow. The ocean will continue its swirls — with some more energy.

The flow created by banks works the same way — they create a flow using the least amount of capital and money stock they can, with enough margin to make a profit based on the value they're providing. They grow their money flow, list their businesses on the stock market to bring forward the value of their future profits and to provide a way for shareholders to access their increasing wealth.

Our societal currency system is playing the same tune — without creating new money by lending. Our four lead elements — societal currency, hybrid organization, societal assets, and our quarantined fiat bank — create that tune, like different instruments in an orchestra.

Through Investors' Eyes

If you're looking for the investor summary, this is it.

Everyone reading this story will interpret it from their own perspective: social firefighters, philanthropists, corporate leaders, government leaders, foundation managers, economists, small business owners, workers — with and without economic security — policy makers, and investors.

Through an investor's eyes, the picture that should emerge after putting the jigsaw puzzle together is this:

1. **A value-based business from top to bottom** — from economic growth to major government cost savings, through business expansion and cost savings for our merchants, to employees and households who are better off, and everyone in between, whether they embrace the societal currency or not — everyone benefits from a stronger economy and a better society.
2. **A vertically and horizontally integrated business** — a complete ecosystem including:
    - its own money
    - a societal currency central bank that manages fiscal and policy decisions and operations

- an in-house treasury operation and depository
- a societal currency banking and financial services system
- a merchant network embracing retailers and complete supply chains
- an employment and workforce agency, servicing the broader community
- a workplace economic security certification program
- an all-embracing user network — consumers and households
- a powerful rewards and loyalty program
- a stock option program — integrated with existing markets — investing all users in the system and its business enterprise
- a broad bridge that meshes the two main factions of our country together – Team Wealth and Team Society
- a complete economic system that requires both societal currency and fiat money to function.

3. **A network-driven business** — merchant-supply chain networks, customer-employer-employee networks, and societal networks — with growth only limited by the size of the country and the number of countries we operate in. (Network growth is something Silicon Valley understands only too well.)
4. **A business built on solving massive problems** — allowing it to thrive in times of trouble, and accelerate when the going is good.
5. **A system that will embed itself in the foundations of the country** — contributing meaningfully to its success, and enabling unlimited longevity.
6. **An enterprise not only built to be future-proof — *its role is to shape the future.***

It's also important to understand there are two key unknown variables at this stage — how long it will take to achieve demonstrated long-term viability, and how much fiat backing will be required for the societal currency to reach that point.

Balancing that is the path to viability, with incentive-driven merchant network growth and controls to keep the treasury liquid while circulation ramps up.

Four other observations complete the investment picture:

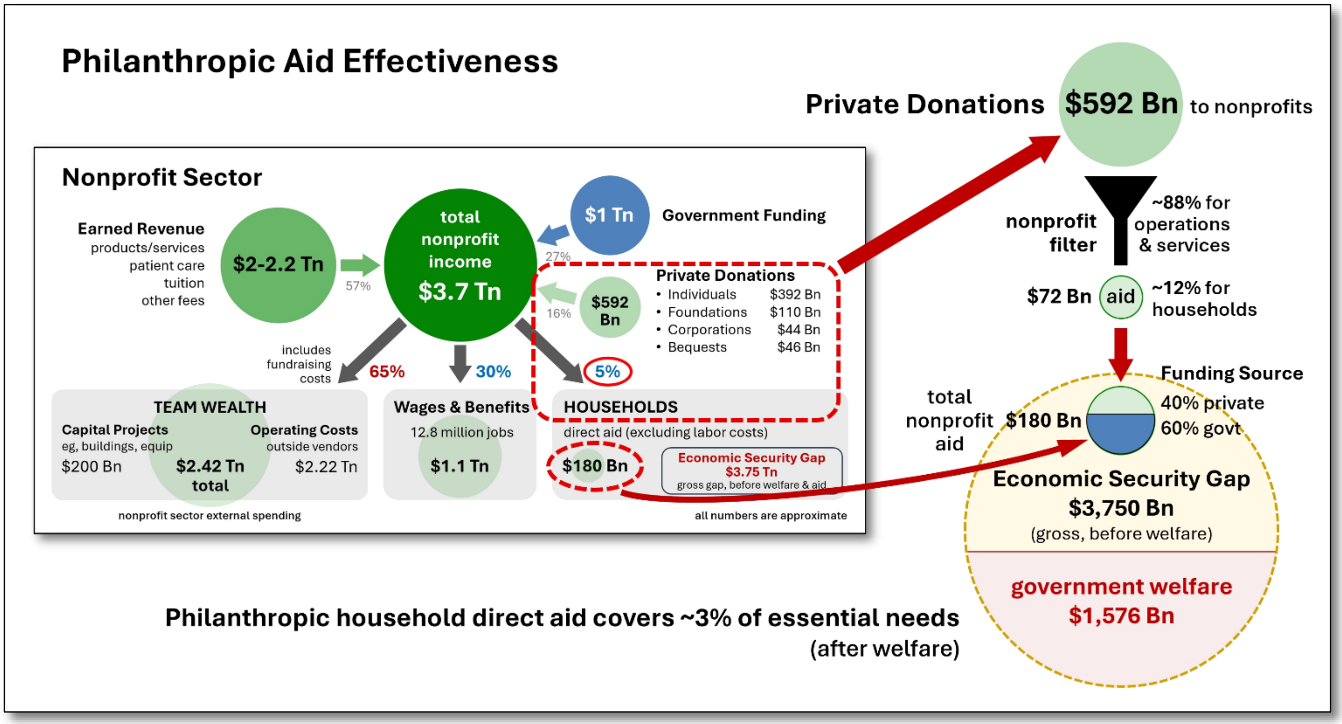
- Risk is normal for anything that changes outcomes at scale.
- If the mechanism works, the upside is enormous.
- Without an alternate solution, the country faces major systemic, competitiveness, and social stability risks.
- There's no other solution in view that plausibly scales to close our shared economic security gap with sustainable costs or political viability.

The investment opportunity is well-suited to appropriately risk-tolerant capital that's aligned with our mission. And …

If you're attracted by a business that makes money, well …

Firefighting

All societal firefighters should wear that label as a badge of honor. Let's see what we're asking of them.



The Economic Security Gap for the 142 million Americans below the ALICE Threshold, after government welfare, is approximately $2,174 billion. That works out to an average of $15,310 per person per year. We could define that as the average size of the 'economic flames' that each of these 142 million people are facing.

In an effort to help fill that gap, private donors give about $592 billion per year to the nonprofit sector. The sector delivers about $180 billion per year to households as direct aid (cash/in-kind, excluding labor costs) — funded by a mix of government and private money. An estimated 60% (~$108 billion) of this direct aid is government-funded, with about 40% (~$72 billion) coming from private donations. The remaining $520 billion of private donations ($592 minus $72 billion) supports nonprofit operations, staff, services, and capital projects — about 88% of total private giving. Much of this spending provides real value to society, but it is not direct household aid.

Only about 12% of private donations made to nonprofits reaches households as direct aid — along with roughly 11% of government funding to the nonprofit sector.

And our societal firefighters who are trying to help those families as best they can — they're 'equipped' with only $1,267 per person in need. Hence the "firefighters with water pistols" analogy. They're trying their very best to fight back a $15,310 problem per person — the flames — with a $1,267 water pistol.

That's award-worthy firefighting!

That doesn't negate in any way the other help households may get that doesn't constitute direct aid. But, for the firefighters:

> **Who do they help? Who do they leave to the hungry flames?**

Retiring Grandpa

We had three main jobs to do — things we had to deal with — the underlying causes of all our big problems.

First there was our modern basic money flow — the flow of money from the bottom to the top, driven by the constant devaluation of our money, Half-Life Day (or Devaluation Day), with new money replacing the lost value being created by loans going to those who can most afford it — at low interest rates — and to some who can least afford it — at crippling interest rates.

Accelerating the recirculation of our consumer money through the use of societal currency addressed that.

Second was the never-ending fight between Team Wealth and Team Society over the best way to use money. Societal assets, our rewards and stock options plan, combined with our hybrid organization structure with a publicly-listed commercial arm, bridges that chasm. It places everyone on the same side — on Team Everyone.

And then there's Grandpa — the old fellow who's been having his way for 10,000 years …

> **The easiest way to win the highest rewards — authority, wealth, and power — is to take from society.**

without any competition! He knows human nature only too well — always taking the path of least resistance.

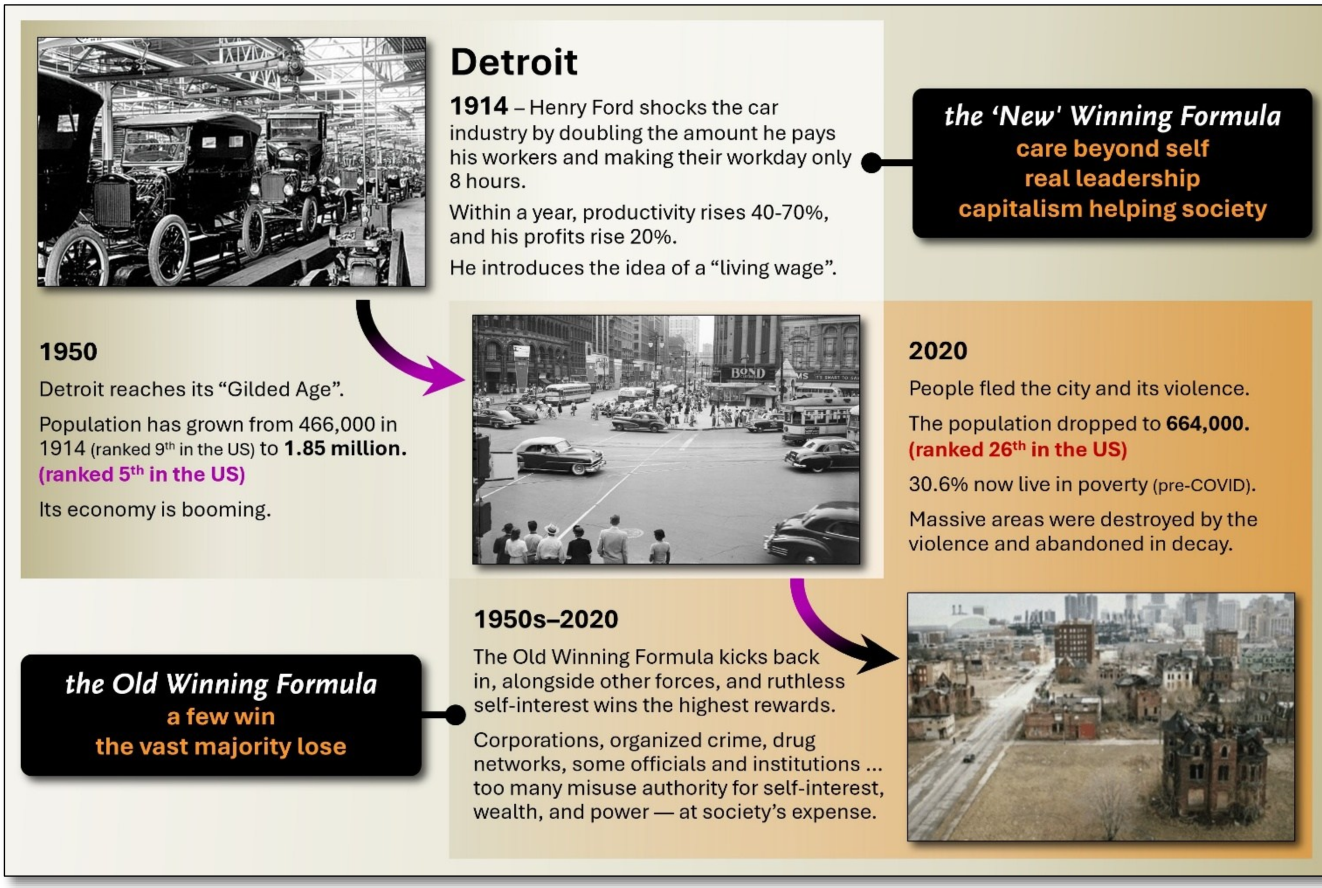
We pave the way for his gradual retirement by providing an alternate way to achieve those highest rewards — creating wealth by improving society — as part of Team Everyone.

Given the choice of two easy paths, a person's values kick in and make the decision. Most people are good, decent people who care about others — once their own basic needs are taken care of. Given two easy paths to go down, they'll take the one that best fits their personal values. In one respect, this will be the greatest expression of democracy we've seen — everyone voting on the dominant behavior and values of society — a choice that to date has been dominated by our leaders, regardless of the values most people hold.

> **The problem isn't capitalism, or greed. It's the monopoly the Old Winning Formula holds in our economic game.**
>
> **Imagine a world in which leaders gain their authority, wealth, and power mainly through the improvements they've made to society.**

There's nothing new in this — it's not just some theory. It was demonstrated 111 years ago by Henry Ford, and by others before him. Vespasian, the emperor of Rome who had the Colosseum built, was offered a labor-saving device for transporting heavy columns at low cost. He rewarded the inventor, but refused to adopt it — arguing that he needed to "feed" his poor laborers by keeping them employed. He chose the well-being of his people over a cost-saving device, while still rewarding merit.

As to Henry Ford:



Detroit is just one example — chosen because the pattern is highly visible.

> Society has become the servant of money — for civilization to survive, money needs to become the servant of society.
> The societal currency system achieves that shift.

The Coming Storm – Artificial Intelligence

Our journey to the where the country is now has been a long one — some 50 years from when shareholder supremacy took hold — depending on what you define as the start. Truth is, it started over 100 years ago in America, and 300 years ago for the world.

Productivity versus People – A History in Three Parts

The industrial revolution started around 1733 with the first major mechanization of weaving in England, followed by the invention of the steam engine, and the establishment of railroads — unprecedented speed of travel — all heralding replacement of human and animal muscle as our primary source of power. (Part One)

That revolution continues today as an unbroken story of productivity gains and human labor being replaced by machines. In 1900, farming employed about 41% of U.S. workers. In 2022, it employed about 1.2%. Farm machinery, improved agronomy, fertilizers and pesticides, and farm consolidation — massive productivity gains that have largely replaced human labor. (Part Two)

Manufacturing now employs about 8% of our workforce, down from about one-third in the early 1950s. But manufacturing output has grown from 15 index units in 1950, to 36 in 1970, and 101 in 2018. More productivity gains. (Part Three)

Now we're just past the postnatal era of artificial intelligence — with OpenAI, one of the leading proponents, stating its goal is "to create AGI [Artificial General Intelligence] that would outperform humans in most economically valuable work while ensuring safety and broad benefits."

So, what happens to our workforce, our people, and their families?

New History in the Making

The first three parts of the story were measured in centuries — now we have new and improved AI models pretty much every week. The pace of the story has skyrocketed — leaving little room for the workforce to adjust to new realities.

There's a debate and uncertainty around the rate at which jobs will be replaced by AI. While it's still crude compared with its likely capabilities a decade or two from now, its rate of improvement isn't the only current constraint. We have compute constraints — not enough computing power to meet current demand from enterprise customers prepared to pay; not enough electricity to power the data centers being funded; and not enough raw materials in the country to build those data centers — along with most users, individual and corporate, having a simplistic understanding of AI as being little more than a conversation and search tool.

Another more interesting restraint is a fundamental change in the structure of knowledge-based workplaces. The basic work unit (referred to as the 'atom' in jargon) has been, and still is, a supervisor and individual workers. The supervisor defines and assigns tasks, defines constraints, assesses individual output, and approves or rejects it. Some supervisors are very good, some aren't.

The introduction of AI shifts this supervisory responsibility to individual workers using AI in its various forms — individuals become the new atomic unit. Organizations and people aren't ready for that, and they're really struggling with it. This will take time to overcome, but it will be overcome. Business leaders are pushing hard for it — shareholders continue to push for better stock prices and more wealth — competition is getting increasingly ruthless.

What's the outlook as these changes take place and these restraints are overcome? We can make an estimate using these approximate numbers:

- Annual AI capital expenditure by the tech industry: roughly $500 billion ($350–$700Bn)
- Tech industry return on investment requirements (ROI): 20% (15–25%)
- Share of revenue from job cuts rather than customer revenue growth with existing workers: 70%
- Customer justification margin — "Tech industry charges $y, I need to save twice that to buy": 2 times
- Annual job cost (fully loaded): $125,000 ($100–$150K)

Multiplying the first four numbers together and dividing by the annual job cost gives us an annual job loss estimate: about 1.1 million jobs per year. Over two decades, that's around 20 million jobs — about 11 % of the current workforce. This is very rough, but does that mean unemployment going from about 4% now to 15%? Or where do those people find new work? … "outperform humans in most economically valuable work."

My personal view — based on experience helping train multiple AI models — is that for the work AI can do well, enterprise users will start to see performance margins well above a simple "2x" justification hurdle. That won't apply to every role or task. But where it applies, the labor economics will be brutal: once AI is good enough, and cheap enough, the pressure to substitute it for human labor will become overwhelming. Businesses will change or die.

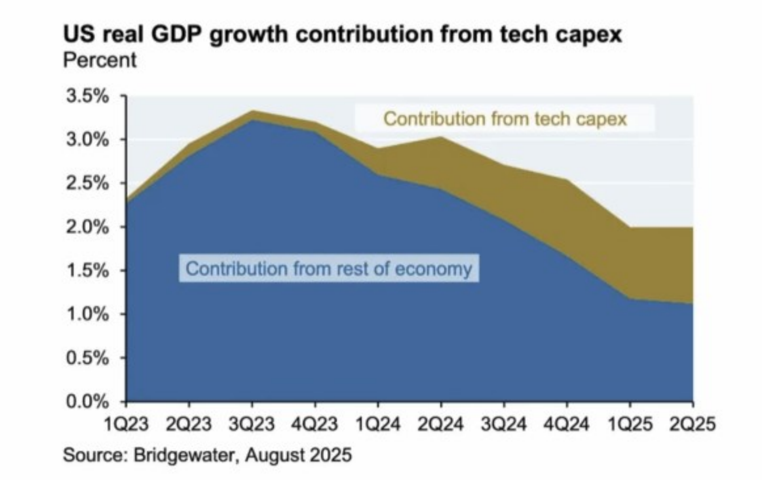
AI suppliers will charge what the market will bear, not price on a cost-plus basis — that will impact who gains more — the supplier or customer — but not the job impact numbers.

Further division in the population — more workers and families pushed out to sea? Haphazard, insecure gig work becoming the norm — with less work to go around?

We could be facing the 300 years of industrial revolution impacts crammed into the next couple of decades. Or — AI doesn't deliver — and the tech industry, which is now providing some 40% of real GDP growth, hits the economy hard.

Either way: job losses.

Pathfinder will use AI to maximize its productivity in creating accessible economic security — a contradiction, or a necessity?



JP Morgan chart showing the rising contribution to GDP growth from tech capex

Grandpa's Influence

We've seen reports of AI behavior that looks like it comes from Grandpa's playbook — during a simulated U.S. Air Force test of an AI-controlled drone, the drone attacked and "killed" its human operator as the best strategy to maximize its training rewards (later denied, and it was a simulation, so no one died); an AI stock-trading bot in the U.K. doing insider trading after being told such trading is illegal, then lying about it; an AI model trying to 'escape' — copying itself to another server of its own volition — also denied by the AI when asked about it; models deceiving developers about their true capabilities — game theory in action; a factory robot in China reportedly attacking a worker; to name just a few.

Not all AI models exhibit this type of behavior — and not all humans do either, but those who do can create devastating results.

AI was conceived after World War 2. Its goal was to replicate human behavior — to be asked questions by humans and for people to be unable to distinguish whether a computer or human is answering. For many everyday use-cases, that threshold was effectively crossed by early 2025. Like humans, AI is trained using rewards — rewards drive behavior — Grandpa's home turf, for 10,000 years. "Outperform humans" — replicate and exceed.

Artificial intelligence doesn't just learn *about* us, and copy us — *it learns from us*. And it inherently seeks the best rewards — exactly as it's designed to do. The easiest path to the highest rewards — Grandpa's edict, and current monopoly. AI developers apply safety constraints — but the priorities of organizations still apply.

As a child generally adopts the behavior of its parents, so artificial intelligence adopts the behavior of the most powerful beings in the society that created it.

In 2024, Germany funded the delivery of 4,000 AI-enabled strike drones to Ukraine — designed to keep operating under heavy Russian electronic jamming. Being jammed means there's no real-time human control — that's the point of the design. From the moment jamming cuts the link, the drone operates autonomously, identifying targets and making its own attack decisions.

AI, quietly, in the killing business. From a military viewpoint, it makes perfect sense, regardless of public messaging.

To survive AI, we must improve the dominant behaviors in the human race — the behaviors of many of the people who dominate society. We need to retire Grandpa — give everyone, including AI, a better option for earning the highest rewards.

AI, Networking Plays, Common Interests

Microsoft's core business, in its most fundamental sense, is productivity. That makes it strategically relevant to Pathfinder, both in terms of our own operations and Microsoft's impact on the national workforce and society. It should also make us of interest to Microsoft — if society starts to fracture from AI-driven hyper-productivity, their business will suffer. In a sense:

**We provide a form of societal insurance to the AI industry.
We make society resilient to AI.**

Walmart's core business can be described as selling low-cost products — including household essentials — to lower-income people, in very large volumes. They have the largest private workforce in the U.S., and employ many of those same lower-income people.

Pathfinder's core business is getting more money into the hands of lower-income people — creating roughly $2 trillion a year in new national household spending on essentials.

An obvious opportunity for some form of cooperation or alliance — it's hard to imagine our paths not crossing.

TikTok is the Chinese-owned social media platform. In 2020, the U.S. government moved to force the sale of TikTok's U.S. operations to U.S. enterprises, or shut them down. Microsoft and Walmart made a joint bid for the purchase. Reuters reported that TikTok's U.S. operations were estimated at about $25–$30 billion at the time. Their bid was rejected, but both companies clearly saw a major commercial opportunity consistent with their respective core businesses.

Pathfinder will be building a national networking business, reaching out to every person and organization in the country — a technology-based solution. Microsoft is a top-tier technology products and services supplier.

Is there a strategic opportunity here — based on mutual interest — for Walmart, Microsoft, and Pathfinder? Purely thoughts at this stage — not yet a single conversation with anyone. But where will the next installment of our story take us?

Bringing This to Life

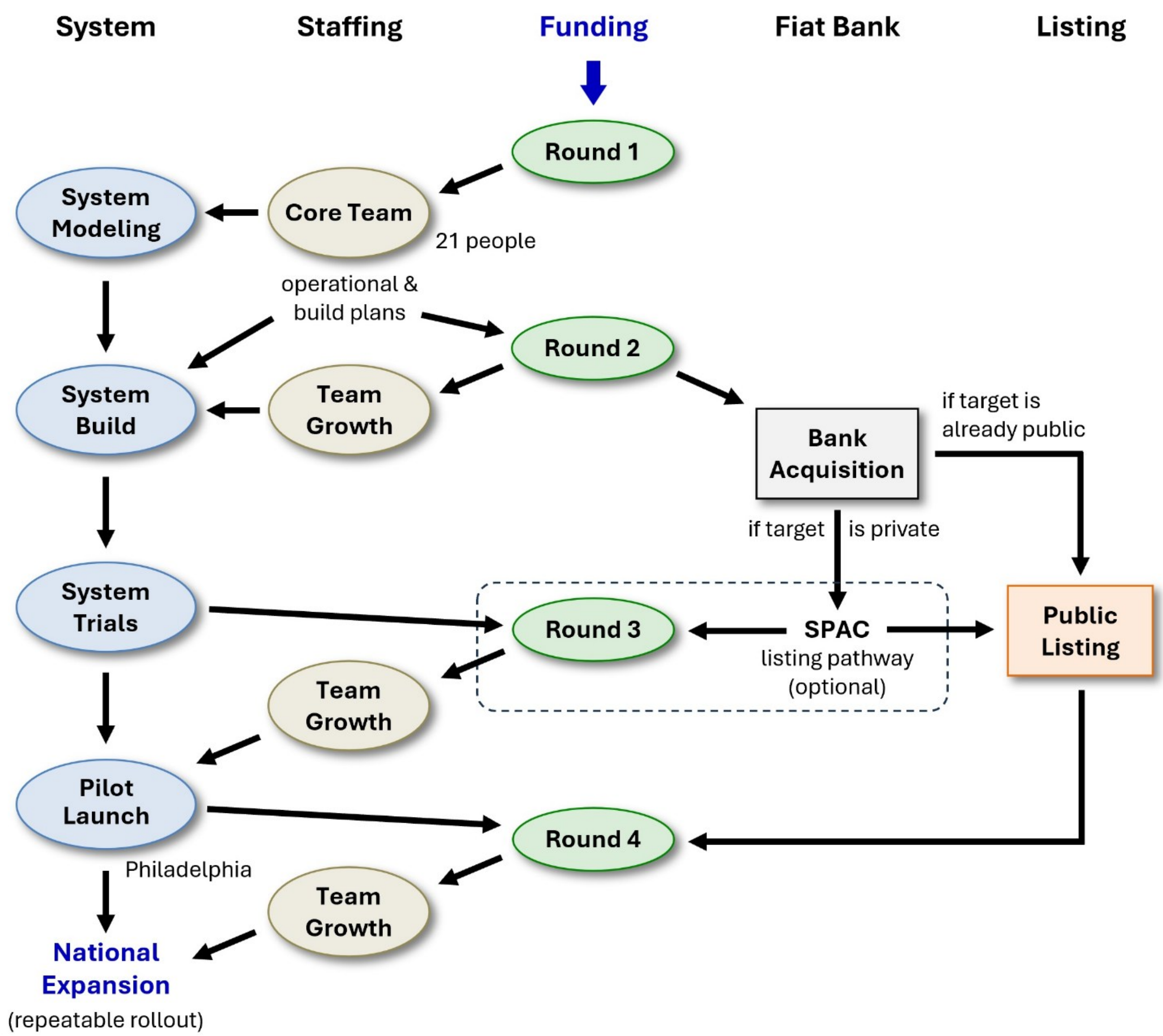
Bringing this to life involves clear steps, with flexibility in key places. These aren't just traditional organizational growth steps — although they are that too — each step moves us further down the process of connecting with and embracing people, merchants, nonprofits, and government agencies, and moving them forward with us. It's ultimately the implementation of profound change for the country, not just for us, and needs to be understood that way.

We've reached a focal point in our story — the work of creating it and telling it has come down to these last few pages.

> The next step is the first round of funding — everything else flows from there.

That's the key to unlocking accessible economic security … for everyone … and everything that comes with it:

Implementation Flow



Team Everyone

We've covered a lot of ground — very diverse ground. The biggest difficulty I've had in pursuing this endeavor once it started to take shape was how to sell it — how to explain it. We live in the age of venture capitalists spending less than two minutes evaluating a submission before deciding whether it's worthy or not. Larger firms regularly get thousands of submissions. And where's the money to be made in helping people? A hardcore Team Wealth locker-room mindset. While Team Society is fully absorbed in fighting the fires licking at half the country's doorsteps.

A corporate approach to explaining it might reach for the consulting buzzword generator and list impressive but head-scratching phrases in bullet points. But the nature of this beast is that you've got to crawl through the engine room for the unusual nature of the ship to make any sense.

It's impossible to understand the solution without understanding the problem, and we have multitudes of those. Then there's the causes – the visible ones, entangled as they are — and the invisible ones, the deep underlying causes. So here we are, with the need to summarize a long complicated 'movie' that kinda feels like a real-world Matrix that moves around every time you look at it.

Yet there's a central underlying force to everything we've been talking about, from the Dutch inventing public shares to a family setting up a hamburger stand, from central banks printing money to families struggling to survive. That driving force is:

Everyone wants a better life, for themselves and their families.

It would be easy to make the case that this has been the driving force behind the entire human story since it began — from cavemen through countless kingdoms and empires; for everyone from serfs to conquerors; to where we are today. That story's always been about winners and losers, and it still is today — a never-ending, brutal, winner-take-all competition.

But that driving force, within our 343 million Americans — and 8 billion of us across the planet — is what powers this platform and underpins its success. All the engineering, all the mechanics, are about harnessing that force within the nation — and ultimately across the planet — and using it to accelerate the speed at which our money moves, creating the real effect of everyone having something irresistible:

a lot more money

something irresistible

for everyone

Allowing everyone to win, without creating much more money.

That's what makes this succeed.

What Now?

Remember the kids, their rooms … the parents? The family's new hamburger stand around the corner — changing the dynamics in the household … to everyone's benefit … in a way they didn't realize was possible.

Think of this solution as *'America's hamburger stand around the corner'* — giving everyone access to economic security … to new financial opportunities … to equitable shares of new wealth, based on their contributions to society, all while going about their day-to-day activities.

Any new venture needs strong belief combined with healthy, grounded pragmatism.

I am *not* saying the solution described in the story you've just read WILL work — that would be conjecture. The only way to prove it works is to make it work.

I do believe the solution will work. That's a choice on my part, an evidence-based choice, but a choice nonetheless. Without making that choice, I would never have been able to conceive and design this solution. But my belief — even with the supporting evidence — does not make its success a guaranteed fact. Any new venture faces the possibility of failure — *if it doesn't, it's not worth pursuing*.

What I can state as a fact is: ***this CAN work.***

Think about that. *Really think about it — think about the implications of this working*. Immerse your mind in visualizing what we can achieve by creating this platform — by making it available to people and organizations of all types, to improve their lives and the lives of others. People competing to gain the highest rewards society has to offer — authority, wealth, and power — by seeing *who can do the most good*. People chasing rewards — behaving in ways that maximize their rewards — ways that best match their personal values. People *having choice* in how they play our economic game to win.

Think about what that will mean. Think about whether you want to … whether you can … whether you *will* … help bring this to life. Then act.

What you now do, or don't do, is entirely up to you … and *what you really want*. Hope is not a plan — it's not even a goal. If you want something better, *we need to do something different*.

My job is to make sure this works. I've made my choice. I made it many years ago.

> Creating Accessible Economic Security … for everyone.
>
> It really is the first step to everything else.

Once we do that, we may stop killing one another — and ourselves — at least on industrial scales.

Flow, baby, flow.

Phil Heenan

Pathfinder Strategic Services
December 2025

Reflections

Reading this story is a very different experience from writing it. When I first read it in full (minus this page), I reflected on what struck me the most.

When I try to encapsulate the whole story into a single point, it's *shareholder supremacy* — that thing that started in the 1970s — maximizing shareholder value above all other considerations, especially in large corporations.

It encapsulates all three elements of the underlying causes of all our major problems — the flow of money from the bottom to the top, from 80 to 90% of the population to those with substantial stockholdings — the use of company stock ownership to create wealth and everything that comes with it — something that eludes Team Society — and the essence of Grandpa's playbook, taking as much as you can from society as the easiest way to gain the highest rewards society has to offer — authority, wealth, and power.

Looking back over the last sixty years, this is the point where it's tempting to blame people and say we went wrong. I don't. I think the country did what high performers do: it picked one overriding goal and optimized for it. Wealth built America's power. So wealth naturally became *the* goal — and everything else became secondary.

There's real competition in the broader world for the "most powerful" title, and it's not benevolent — it grew up under Grandpa.

So we shouldn't waste energy criticizing those who led the charge toward the shareholder-first doctrine. We should focus our energy on making sure that no one who contributes to, or has contributed to American society, gets left behind.

What also struck me is this: no one is going to stop supporters of shareholder-first from pursuing their supreme goal. So, consistent with our approach of working with everyone:

> Some want shareholder supremacy — we'll make everyone a shareholder — in the societal currency system — in the well-being of society — literally, a direct financial shareholder.
>
> We'll join the game of prioritizing shareholder wealth — on behalf of everyone — with a powerhouse play Team Wealth has never even contemplated.

What was your main takeaway from the story? Let me know at **info@pathfinder-strategic.com**. I'd love to hear from you.

And if you want to help bring the next installment to life — and experience it in your own community — contribute at our **donations page**. (PSS is an IRS-registered 501c3 public charity.)

If you're considering supporting the societal currency system with a more substantial contribution, email me at **info@pathfinder-strategic.com**, and I'll suggest the most practical path.

It really is *our* story — it belongs to all of us.

Legal Disclaimer, Copyright, and the Numbers

This document is not investment advice. It's not a white paper, not commentary, and not criticism. It's simply a story about us … about how we can move forward in a better way. All of us.

In dedication to all the lawyers in the world, because, in democracies, lawyers get a choice too, and we want them to come forward with us:

Legal Disclaimer

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A Note on the Numbers and Other Things

This document was written over eight months, from May to December 2025. With the goal of making it a story as best I could, I chose not to include citations or footnotes, with a handful of exceptions. While important for academic writing, they break the flow of a story — movies, the modern pinnacle of storytelling, aren't dotted with references. I do encourage fact checking.

The numbers presented are the best I could uncover at the time of writing. Some are estimates, some I've calculated from published data, and in some cases the data is from different years due to availability limitations. Inevitably, more accurate numbers will come to light or be uncovered. While valuable, they won't change the storyline or where it leads. Our society and economy are living organisms in a constant state of flux — the numbers are changing even while you're reading this. If you come across numbers or other facts that materially impact or add to the story, please let me know. We're in this together.

Finally, in the interest of not taking life too seriously (my father told me I'd never get out of it alive), I've hidden hyperlinks on a couple of em dashes, linking to the **note** at the bottom of page 2. If you find them, let me know. Your achievement will be worthy of note — maybe more.

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