

New Money, New Wealth **the Societal Currency and Assets System explained**



patent pending

The Societal Currency and Assets System

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What Are We Aiming to Achieve?

Massive Increased Well-Being and Broad Behavior Change

the common goals across all the core problems

Fixing the Underlying Cause



Increased Well-Being – requires a lot more money

Broad Behavior Change – requires economic incentives

} and the need to create common interests across competing players

Our Current System

We Don't Have Enough Money

- to provide basic well-being for everyone, in the US or globally
- automation and AI, aging populations, and conflicts at all levels are increasing the need for more
- the money we have is mainly debt based – *global totals*: money \$86 Trillion, debt \$300 Trillion *

The Current Economic System Is Biased

- it is dominated by material self-interest
- when new money is created, it mainly goes to the top, and some works its way down
- when inflation is high, money is mainly taken from the bottom – higher interest rates cut jobs
- societal services are degraded by being made profit centers for material self-interest
- pumping more money into the current system reinforces it – it doesn't change it
- significantly *decreasing* rewards for self-interest would increase conflict, and would fail

The Problem Is Not Capitalism

- we should seek to strengthen capitalism, not undermine it

The Problem Is:

- our current rewards system – the highest rewards mainly go to those who take the most from society
- there is insufficient money to meet everyone's basic needs
- our rewards and funding systems place low value on people and endeavors that improve society

is it any surprise that when there is not enough to go around, people fight over it, and the powerful get the most?

Why a New Currency?

Why Not More of the Same?

- pumping more of the same money into the same system will have it to flow mainly to the wealthy, will reinforce the current behavior, and will increase global debt levels

A Solution to the Core Problem Cannot Come From Government

- government is the custodian of the current system, in which the core problem is embedded
- government is the focal point of power, and of the money-power struggles
- government is a source of rules and monopoly services – it is not a source of alternate offerings
- government can only increase the money supply by increasing debt levels
- but a new currency can be, and should be, a ‘friend’ of government, by giving it new options

Society’s Values Are Embedded in Its Currency

- fiat money is our primary valuation system – rewards are paid in fiat currency, and the behavior that’s valued most highly by society* gets the highest rewards
- hence society’s values become embedded in the medium of payment – our fiat currency
- a new currency is designed for choice – a choice of currency can be a choice of *values*

The Best Way to Create a Lot More Money

- a new currency emphasizing value to society and *all* its members

rewarding different values requires a different currency

* Societal values and behavior should not be confused with individual values and behavior

A Currency for Improving Society

How the Societal Currency Works

General Use

- it has the same value as its fiat counterpart – e.g., one societal dollar = one USD
- payments are made with a debit card and existing POS equipment, or online
- it *cannot* be used for international business-to-business payments

Creating the New Currency – in locations where we operate

- it is created by using fiat money to buy the societal currency at a discounted price
- the discount varies and will increase over time as usage and circulation increase
- buying the currency also earns wealth-creating societal assets as rewards
- initially the new currency is placed in a Community Trust Fund, from which it is issued
- the fiat money plus reserve societal assets go into the Treasury Fund
- the currency supply is initially limited, increasing progressively in a managed way
- the currency is asset-backed by the fiat money and reserve societal assets held in the Treasury Fund – this covers the exchange of the societal currency back into fiat by merchants
- this creation of money is similar to how banks create new fiat money every time they lend money

for a new currency to succeed, it must provide value to consumers, businesses, *and* government

Issuing the Currency

Guiding Principles

- everyone should have access to basic well-being and merit-based economic opportunity
basic well-being means food, water, a place to live, physical safety, healthcare, education
- pay people well for doing what's good for society and its members

The Initial Focus

- people in need – the unemployed, those already employed but still in need, those who cannot work
- workers directly benefiting communities – schools, govt agencies, nonprofits, businesses

The Methods

- a minimum livable income for everyone; wage top-ups for the employed; work in improving society for the unemployed; development programs; access to wealth creation; participation is by choice

The Process

- organizations purchasing the currency for their own use must use it in an approved way
- currency is issued as directed by Pathfinder's nonprofit board in its role as fund trustee, from the Community Trust Funds to the community nominated by the currency purchaser, with community participation in policy decision making

The Future

- commercial pay parity for those who work to benefit society
- move people up into the middle class, and move those who improve society a lot, even further up

directing the new money toward benefiting society embeds caring about society in the currency

Consumers, Merchants, Government

Consumer Use

- receive the currency as income, wage top-ups, or benefits for those who can't work
 - focused on low-income people and those serving society
- use it to pay any organization (merchant) that accepts it – some purchases may be restricted
- cannot convert the societal currency into fiat currency – this is a merchant-only feature
- can buy limited amounts of the societal currency – higher amounts for qualified investors
- payments by individuals to individuals that are not validated merchants will be tightly restricted
- earn wealth-creating societal asset rewards for using the currency

Merchant Use

- avoid payment processing fees, even when receiving fiat payments
- can make payments in either societal or fiat money (merchants only) – the option to pay with fiat is guaranteed for merchants where societal currency payment is not possible
- earn wealth-creating societal asset rewards for accepting, using, or buying the societal currency*

Government Use

- can buy the currency at a discount and use it to increase pay to service workers, or to fund services
- can be a merchant that accepts societal currency for nominated services – not for federal taxes
- can make payments with it like any other merchant, in either societal or fiat currency
- earn wealth-creating societal asset rewards for accepting, using, or buying the societal currency*

*purchased societal currency cannot be used by the purchaser for fiat payments

Currency & Asset Use Examples – from a range that covers everyone

A Person in Poverty

projected examples

A person working part-time on low wages was moved out of poverty by getting additional, meaningful work helping improve society, while earning a livable wage. They received development training, and their physical and mental health improved. They were eventually able to use their societal assets to help make a deposit on the purchase of a home.

A Local School

A group of individuals and local businesses backed a societal currency injection into a public school in an underprivileged area. The school used the extra money to increase its teachers' pay and used some fiat currency they saved to buy equipment for the students. The backers later made a profit on the societal assets they received.

City Hall

City Hall used fiat money from their existing budget to buy societal currency at a discount and increase the pay of overworked police officers, attracting new cadets in the process. The City benefited from reduced crime and increased revenue from the broader economic growth, and later created an emergency services fund using their societal assets.

A Nonprofit Organization

A local nonprofit used the societal currency and societal assets to increase their income from existing donors and to secure new donors. They used the societal currency as part of their staff remuneration and were able to hire more staff to increase their services to the local community. They also added some staff funded by the Community Trust Fund.

Is This a Cryptocurrency?

NO, this is NOT a cryptocurrency

You can think of it as a societal fiat currency. It has elements of PayPal without the fees, government EBT or SNAP (food stamps) with a much broader use and a positive connotation, wealth creation for the benefit of everyone rather than just a few, and a whole lot more.

Why not use a cryptocurrency?

Cryptocurrencies sought to avoid the central authority of government and banks and to avoid payment processing fees. They achieved success in faster payments and avoiding authority. They also became the currency of choice for cyber and other forms of crime. They made enormous wealth for their creators and their main financial backers, while others made and lost large amounts. They did not avoid payment fees, and so far, seem to have been a net burden on general society.

Other than with their ledgers, they have achieved only limited decentralization. Their technical weaknesses have allowed massive cyber thefts, they struggle with scaling, and they are not consumer, business, or government friendly. They mostly hide in poorly regulated jurisdictions and are subject to massive manipulation by central players, 'whales', wealthy celebrities, and others, supported by lots of influencers making money selling the 'dream'.

None of that means cryptos won't play an ongoing role in the global financial system – the problems will be addressed – but currently **their characteristics are the antithesis of our goals.**

We seek to create equitable wealth for everyone; to improve government services; to be consumer, business, *and* government friendly; and to provide free payment processing. Our approach requires careful management, while cryptos avoid or minimize central management. If cryptos ever gain widespread consumer use, we will work with them just like with any other major currency.

What Are Societal Assets?

Societal Assets

The Societal Assets are a new form of asset that are linked to the well-being of their societies. They have three primary goals:

- financially invest people and organizations in the well-being of society
- provide everyone with the opportunity to create wealth on an equitable basis
- contribute to the asset backing for the societal currency

They can be thought of as shares in a community or society, except they don't bestow ownership of any assets in the community. Rather, they are a dividend-earning expression of membership in society and contribution to the improvement of society.

They are gained as rewards that attract various benefits over time and ultimately become wealth-creating by being able to be sold in the financial markets. The rewards are focused on the acquisition and use of the societal currency, creating a self-fueling growth cycle.

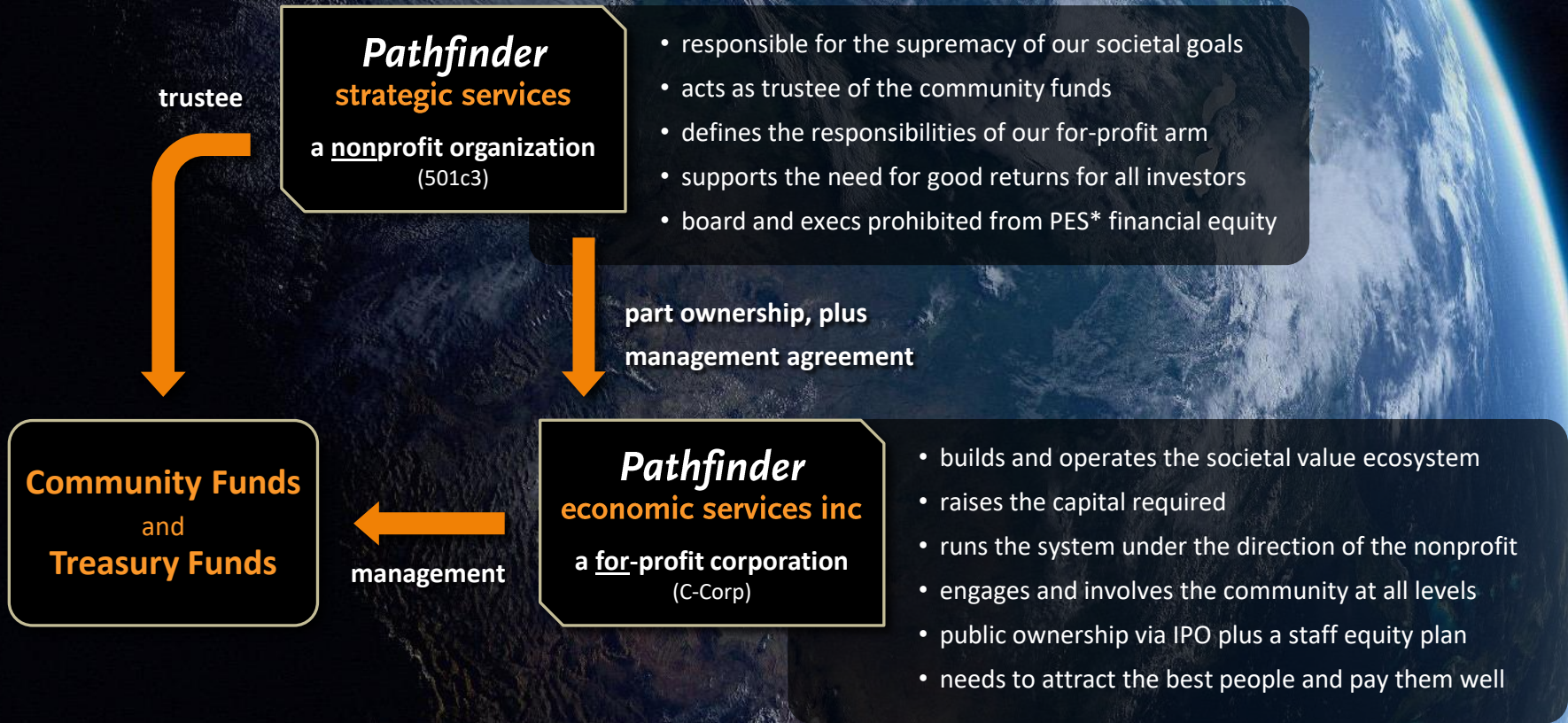
They invest people and organizations in society and provide them with an incentive to improve society and have it remain strong for the benefit of all its members.

The societal assets are dividend-earning, with the dividends based on the amount of societal improvement. This makes our poorest communities the focus of investment, as they provide the best opportunity for the largest improvements.

people don't damage what they are invested in – that would go against their self-interest

Profit vs Society – serving two masters

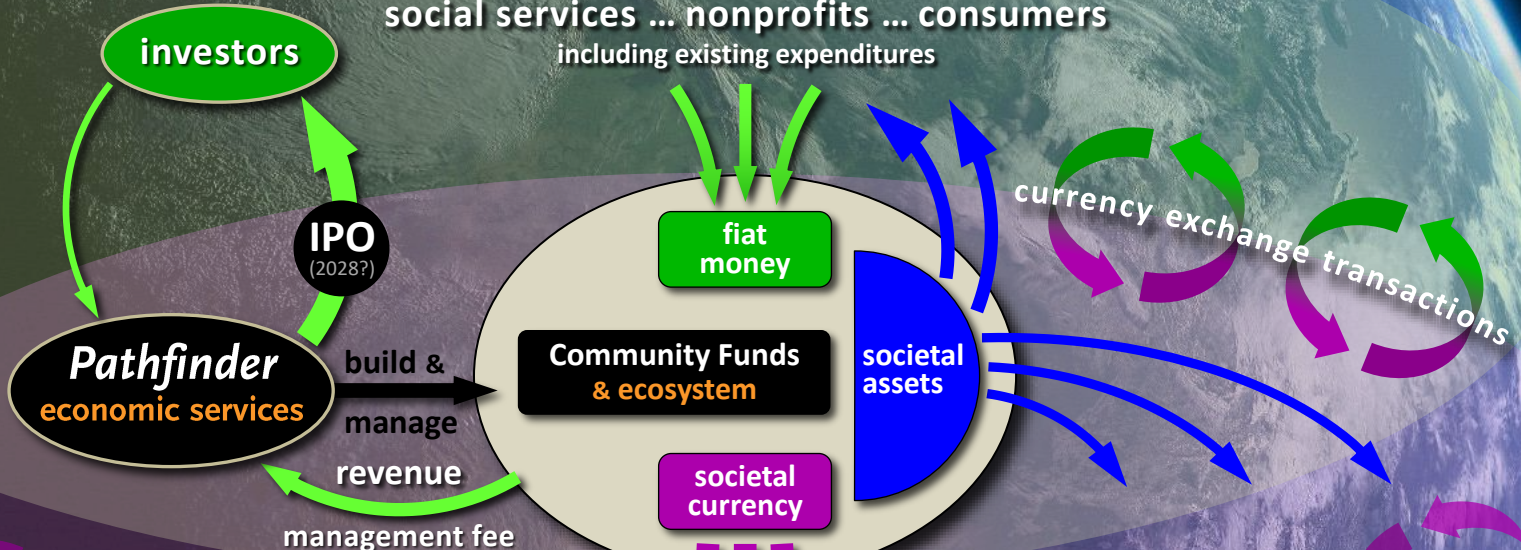
Traditional legal structures force organizations, and people, into either a for-profit or nonprofit path, then force them to stay there. So, how do we combine both without having profit making override societal goals?



The System at Work

Traditional Economy

investors ... businesses ... governments ... donors
social services ... nonprofits ... consumers
including existing expenditures



societal currency out exceeds fiat currency in

consumers ... merchants ... organizations of all types

Societal Values Economy

Currency Circulation – the key element

All Currencies Rely on Circulation to Be Viable

Circulation comes from the willingness of others to accept a currency as payment. The USD has not been asset backed since 1971. The dollar is *a promise* by the government to accept the currency as payment of obligations. Its value is based on public confidence in the government and the economy.

Our Promise

Our promise is to convert societal money into local fiat currency (e.g., USDs) on a one-to-one basis with no fees when a payment by a societal currency merchant can only be made in fiat currency.

Creating New Fiat Money in the Traditional Economy (e.g., USDs)

US banks can now lend 100% of their eligible deposits. Every time they lend money, including on credit cards, they create *new* money. Say you deposit \$1,000; the bank lends \$750 of that money to a borrower; you still have \$1,000 “in the bank”; the borrower has \$750; the ‘system’ in total now has \$1,750; \$750 of new money has been created. The bank’s *promise* is to give you your money when you want it. Banks rely on depositors wanting only part of their deposits at the same time.

Creating New Societal Money in the Societal Economy

We offer societal money at a discounted rate to improve society – e.g., 120 societal dollars for \$100. That creates \$20 worth of *new* money. The \$100 is held to fulfill our promise to make merchant payments in USD when necessary. We need to keep 20 societal dollars circulating or held within the Societal Economy. If necessary, we use reserve societal assets to obtain more fiat currency.

As more societal currency is purchased, more *new* money is created for improving society. As the portion of the money that stays in circulation increases, the discount on the societal money can increase, creating even more money for society and making the societal currency more attractive.

like all other currencies, circulation is the key element

A Supercharged Financial Engine

A Fundamental Financial Comparison

Nonprofit Organizations

operate in ...

one financial dimension

- they receive donations, spend money, and the money is gone – they operate in *a single dimension*
- in the US they pay an average cost-of-fundraising ‘tax’ of 24% to the for-profit market

Commercial Businesses

operate in ...

two financial dimensions

- they spend money, create something of value, and sell it for more than it cost – *Dimension One*
- they also can raise capital in stock investment markets to fund growth, and shareholders trade their shares in those same markets – *Dimension Two*
- Dimension Two is a primary creator of wealth – stocks typically trade anywhere from 7 to 100+ times earnings – Dimension Two is 7 to 100+ times more powerful than Dimension One

Pathfinder's societal economic system operates in ...

five financial dimensions

- it operates in Dimensions One and Two, in all the forms described above
- it creates new money similar to how commercial banks create new money every day, but does so **without requiring new debt** – *Dimension Three*
- it creates new money in a simplified version of how the Federal Reserve and US Govt create new money **but without new govt debt** – *Dimension Four* (this obviously needs to be used with great care)
- it creates new equitable wealth via the Societal Assets – this is a new form of asset – *Dimension Five*
- these *five dimensions* reinforce one another through a compounding effect
- this supercharged financial engine **supercharges equitable economic growth** and improves society

The Necessary Safeguards

Protecting the Integrity of the System

There are many aspects to building trust in the system and protecting its integrity, including:

Protection of Values and Societal Goals

- a high level of transparency and public disclosure, including the 'management agreement'
- changes to the 'management agreement' require approval by both the non- and for-profit boards
- our founder and the officers and board of our nonprofit arm are precluded from financial equity in Pathfinder's for-profit arm or any other entity that benefits in any way from our efforts
- maximum shareholding levels in our for-profit arm tightly constrain individual influence

Policy Decision Making

- community involvement in policy decision making coupled with localized decision making
- we will invite government and other stakeholder representation in policy decision making
- overlap in board membership between our nonprofit and for-profit arms

Intended Use Protection

- all users are required to verify their identity, and all merchants must be validated
- openness of information while protecting user and other confidentiality
- compliance with all relevant laws
- strong anti-money-laundering and anti-exploitation controls
- monitoring of all payments to ensure compliance with intended use of funds
- external auditors with public reports

What About the Government's Response?

Helping Government Benefit the People

The government response at all levels is obviously very important to this. We need to demonstrate the value of the Societal Currency and Assets System. Rapid success in Philadelphia is the best way to do this. We will be actively seeking to work as a cooperative partner with government in bringing benefits to society and a better life for those living in it. In addition to having a lot to offer the people, we have a lot to offer government at all levels, from local through to federal:

- reduced costs of providing societal services
- economic growth stimulation and productivity growth *without increasing debt*
- increased tax revenue – all federal taxes remain paid in fiat currency, as required by law
- increased pay for public servants without increased cost to government
- increased economic growth and a more-productive society, resulting in more wealth creation
- reduced conflict and increased stability across society
- reduced crime and reduced law enforcement costs
- a more granular, targeted approach to helping people than government can make
- cooperation with government in fiscal policy in a more societal-friendly way
- many more opportunities to implement and fine-tune government fiscal policy
- government participation in wealth creation through societal asset rewards
- an improved political environment

cooperation through common goals

Other Frequently Asked Questions

- 1. Why not a Universal Basic Income?** UBI is incredibly expensive and does not solve the central problem; it would increase taxes and debt, and increase the conflict between creating wealth and improving society.
- 2. Will this increase inflation?** Moving 37 million Americans out of poverty will increase US consumer spending about 4% over seven years, an annual rate of less than 0.6%. In the US in 2022, inflation was 8%, and much more than that for many poor people. Our impact on inflation will be minimal. Inflation affects poor people the most, and removing them from poverty is our initial focus. We may provide inflation-offset payments.
- 3. What about average people who aren't in poverty?** 63% of Americans live paycheck to paycheck. This system is for everyone. Anyone residing where we operate can buy the currency at a discount and get societal assets rewards. This gives them more money to spend and gives them access to wealth creation over time through the accumulation of societal assets. (Societal currency can only be spent with organizations that accept it.)
- 4. Aren't you setting up a conflict with our existing economic system?** No, we are supplementing our existing economic system – we will use it, strengthen it, and provide a lot more economic opportunities.
- 5. Aren't you creating money out of thin air?** We are combining existing financial mechanisms in a unique way to benefit society. Our existing financial system creates new money all the time – banks, daily; and the Federal Reserve and US Govt, frequently. The stock markets create new wealth every time a stock price increases, and this new wealth is regularly transformed into new money. We are using these mechanisms to benefit everyone.
- 6. Won't rich people make a lot of money out of this, too?** Yes, they can. Every new wealth-creating venture requires capital. Investors rightfully deserve a good return on their investment. Again, this is for *everyone*.
- 7. Isn't there a lot of risk in doing this?** Any endeavor creating something new involves some risk. Knowing those risks allows us to manage or avoid them. In this case, doing nothing involves existential risks for everyone.
- 8. You have both a nonprofit and a for-profit organization – how do I support this?** You can donate to our 501c3 nonprofit, or qualified investors can invest in our for-profit company.

The Societal Currency and Assets System

fixes the underlying cause of our biggest problems

increases well-being across society and progressively eliminates poverty

supercharges equitable economic growth without increasing debt

reduces conflict within, and between, societies

improves behavior across a range of areas in society

reduces bad-behavior costs to society

patent pending