

Things to know About your money



The “Gross Domestic Product”

(AKA= GDP)

Most economies have 3
major parts:

1) Consumption by consumers

2) Investment by business

3) Government spending

The size of a nation's economy is the value of all that is spent on goods and services over the course of a year,

(minus imported goods).

When you put them all together you have the "Gross Domestic Product" (AKA- GDP)

Currently the GDP for the U.S. is over 10 trillion.

Employment

← Why do people need jobs? →

~Money

~Political Stability

~Poverty

~If people are employed they can "consume"

Supply and Demand



Consider: Needs and Wants

If citizens have money they will want spend it-

We buy what we need, and what we want,

That is
Demand

Business will provide materials that consumers need and want.

This is
Supply

Government will provide a balance (economically)

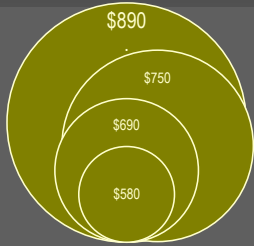


Inflation



The gradual but usually steady increase in cost.

Without a corresponding increase in wages.



Banking\$\$\$



What do Banks do?



The hold money and then use that money for investment

2 Kinds Of Banking



Utility Banking



❑ Low risk, high control, money goes in and makes very little interest, is there when you want it. Your money is stable.



Entrepreneurial Banking

☐ Market risks, takes investment risks, Uses capital to make ventures

More banks are entrepreneurial than utility

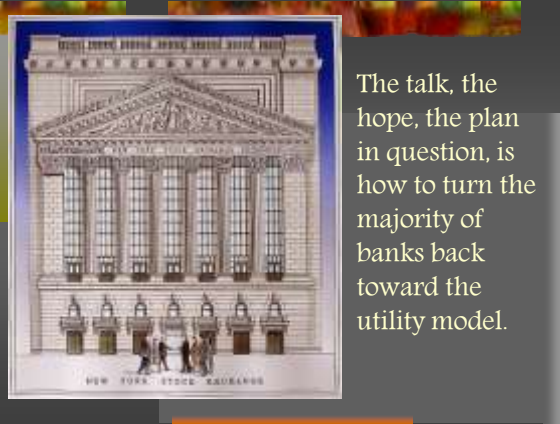
This is where some say the troubles with the economy started.



These structured investment vehicles were bought, sold, resold at a prodigious rate. Banks were buying.

WHY?

Because that's what they do.



The talk, the hope, the plan in question, is how to turn the majority of banks back toward the utility model.
