BITCOIN IS FOR EVERYONE

Why Our Financial System is Broken and Bitcoin is the Solution

Natalie Brunell

Harriman House

Everyone is against Bitcoin before they are for Bitcoin.

—MICHAEL SAYLOR

PREFACE

"There are these two young fish swimming along and they happen to meet an older fish swimming the other way, who nods at them and says 'Morning, boys. How's the water?' And the two young fish swim on for a bit, and then eventually one of them looks over at the other and goes, '*What the hell is water?*'"

DAVID FOSTER WALLACE

Everyone could use a roadmap.

We're swimming in a world as inseparable from money as fish from water.

We work, spend, save, and strive, but rarely pause to ask the question that could change everything:

"*What the heck is money?*"

The moment we start questioning money—not just how to get more of it, but what it really *is*—we begin to see the world differently. This book is an invitation to take that first look.

As its title suggests, *Bitcoin is for Everyone* is for, well, everyone. From those living paycheck-to-paycheck to families with comfortable savings and even investors overseeing multi-million-dollar portfolios, we all grapple with the challenges brought on by today's economic system.

Many of us feel like we're steering a ship that's taking on water, just one strong wave away from sinking altogether. For others, keeping afloat still requires constant effort: investing wisely, taking on debt, and relying on complex strategies just to stay ahead.

We've come to accept all of this as "normal," but it's worth asking: does it really have to be this way?

This book explores how we got to this point and offers a simple, relatable introduction to Bitcoin as a way out of our losing battle with *broken money*, a concept we'll define and unpack throughout the book.

It offers a path to righting that ship.

⇻

Bitcoin is getting a lot of attention these days, and its role in the global economy will only become more significant in the decades to come. Learning about Bitcoin is eye-opening and inspiring, but it can also feel daunting: with so much information out there, it's easy to feel confused, overwhelmed, or unsure of where to begin.

That's why I wrote this book.

You don't need a background in economics or technology—or to be an investigative journalist like me—to understand Bitcoin's potential. You just need a bit of curiosity and an open mind.

⇻

We'll begin our Bitcoin journey with a portrait of our current financial system, uncovering the flaws that have led to such extreme wealth concentration and a pervasive sense of frustration among those left behind.

Once we're oriented in the world of broken money, we'll be prepared to recognize Bitcoin not just as an alternative to the status quo, but as a groundbreaking, transformational instrument of financial empowerment. We'll peek under the hood and explore the nuts and bolts of Bitcoin—what it is, where it came from, and how it works—while keeping our eye on the larger problems it was explicitly designed to solve.

Lastly, we'll examine how Bitcoin opens up the potential for freedom and flourishing in places where financial oppression has long precluded such possibilities, and consider how Bitcoin helps reframe the way we create and experience value in our own lives. Of course, we'll also discuss methods of buying and storing the bitcoin token itself.

Bitcoin is for Everyone invites you to challenge that status quo and reflect on how we've been conditioned to accept the way things *are* rather than imagine the way they *could be*.

By the time you finish this book, I hope you'll see what I see: that Bitcoin is a barrier-breaking tool for financial freedom, helping regular people like you and me to navigate away from those turbulent financial waters and build real, lasting wealth.

My goal is to teach you about Bitcoin so you can begin to reimagine your own dreams—because building a better future starts with believing it's possible.

The journey begins here.

INTRODUCTION: EVERYONE HAS A STORY

"Life sometimes brings enormous difficulties and challenges that seem just too hard to bear. But bear them you can, and bear them you will, and your life can have a purpose."

BARBARA WALTERS

Think about how many times your day has already crossed paths with money. Did you stop for coffee or gas? Buy groceries for dinner? What about the clothes you're wearing, the water bottle you filled, or even the chair you sat on at work?

Money is woven into nearly every aspect of our lives. Tucking in the kids, curling up with a good book, or scrolling on your phone before turning out the lights? The blanket, pillow, pajamas, wall paint, book, smartphone, Wi-Fi, stuffed animal, and, of course, those lights: money earned, money spent, sometimes even the feeling of money wasted.

Money flows through everything, stitching together the fabric of our daily existence so seamlessly that we hardly notice—that is, until it no longer stretches far enough.

⤀

With our jobs, school conferences, oil changes, and dental appointments, we rarely have the time to stop and consider the nature of money itself.

We know what money is.

Don't we?

⤀

Most of us have a pretty complicated relationship with money. And if we don't like to *think* about it, then we really don't like to *talk* about it, especially when times are tough.

Financial struggles can leave us feeling inadequate, ashamed, and vulnerable.

We may assume that, deep down, we only have ourselves to blame for our problems. We work hard to make sure nobody knows about our financial stress, and respond with our most convincing "I'm good!" when anyone asks.

The anxious, sinking feeling in our gut tells an entirely different story. While we struggle, everyone else seems to be making it work—*aren't they*?

While this book is about Bitcoin and how to build lasting financial security, at its core, it's really a book about *hope*.

In many ways, money and hope are two forces that propel our lives forward; like all of us, my own life has been shaped by both.

⤀

Since she was very young, my mother's dream was to come to America. My parents grew up in Communist Poland, where people suffered through the hostilities of war, an oppressive government, and multiple invasions. There was little sense of economic opportunity or social mobility.

To this day, my mom vividly recalls standing in endless food lines with young children in tow. On one occasion, after finally reaching the counter following hours of waiting, she was devastated to learn that the woman ahead of us had taken the last parówki—my favorite little hot dogs. I burst into tears, my mom did too, and the kind stranger was moved to offer us some of her parówki. That was life under Communism.

My late grandfather introduced my mom to classic American films, radio programs, and other glimpses of life beyond the Iron Curtain—planting a seed in her mind that a better world might exist. He told her that in America, there was freedom and opportunity; a place where people didn't have to wait hours in line for basic necessities, and where children could dream of achieving more than their parents ever could.

Back in Poland, my family lived under complete centralized control, in a world of constant shortages. People had to get creative to make ends meet, often turning to the underground economy because there were no other options.

It might sound cliché, but for them, just knowing that America was out there felt like a beacon in the night.

⤞

I was only five years old when we arrived in Chicago from Poland, but some memories are etched in my mind.

I remember our first apartment outside the city—it wasn't much. Just two tiny bedrooms, one bathroom, and a cramped kitchen where my mom somehow managed to produce elaborate Polish dishes no matter how busy she was with work. My parents insisted that my brother and I take the bedrooms, wanting us to feel a sense of normalcy and privacy, while they made do with a cheap sofa bed in the living room.

I didn't fully appreciate the weight of that selflessness and sacrifice until I was much older.

⇸»

Back then, I thought being "rich" simply meant having a garage. My dad, an electrician, worked six days a week and would wake up at 3 a.m. during Chicago's brutal winters to scrape the ice and snow off the car. Seeing him brave the freezing cold—day after day and year after year—fueled the conviction they'd long instilled in me: that hard work and education were the path to a better life. I was determined to honor all they'd sacrificed by seizing every opportunity that came my way.

As I grew up, my parents encouraged me to pursue a career in medicine, law, or even government—fields they associated with stability and financial security. But I had other ideas. The TV news was always on in our home, not just to keep us informed, but to help my parents learn English. Watching those broadcasts, I felt drawn to the idea of telling stories that mattered. I decided I wanted to become a journalist like Barbara Walters or Oprah Winfrey, to meet people from all walks of life and share their stories with the world.

Little did I know that the financial earthquake that would become the global story of the decade was also about to upend my own personal and professional life.

⇸»

By the time I entered high school, my parents—encouraged by the norms of their adopted American culture—had gradually shifted from saving in *cash*, an ingrained habit from decades spent under Communist rule, to using *credit*—borrowing from banks to pursue their dreams.

This was a major adjustment, as they had grown up in a system where such borrowing was almost unheard of: in Communist Poland, there were no credit cards or mortgages, and housing was typically allocated by the government. If you somehow managed to buy a home, it was paid for upfront in cash. The very idea of using borrowed money to build a life was completely foreign to my parents.

So when they eventually purchased their modest townhome in the suburbs of Chicago, my parents' mortgage not only symbolized their embrace of the American dream, but also their newfound trust in this unfamiliar system.

⤞

That was a golden age for our family. My mom and dad finally had their own bedroom and even, incredibly, a garage! Over the next few years, their trust in the American way only deepened. Home values were skyrocketing—increasing nearly 35% between 2004 and 2006 alone[1]—and it ultimately seemed foolish not to follow their friends' example and leverage the low interest rates and increased home values to their advantage. So my parents finally set aside their doubts and took out a home equity loan to start the little Polish eatery and deli market my mom had dreamed of opening since immigrating.

They had barely finished stocking the shelves when, like a tsunami, the Great Financial Crisis of 2008 washed away everything.

⤞

We lost our home. My parents filed for bankruptcy. They've never fully recovered, financially or emotionally. The financial crisis broke their nest egg, their hopes, and ultimately their relationship.

To this day, it's hard for me to write or talk about this experience without a wave of deep sadness. It marked a clear pivot point in my life: almost overnight, my wide-eyed confidence in a bright, promising future was lost to the stark realities of adulthood in a world that made no sense.

Witnessing the collapse of my parents' lives in real time changed everything for me. I felt betrayed: how could this happen to good, honest people? To my family—and untold millions like us—who had worked so hard and played by the rules?

My family's experience of sudden financial devastation lit a fire in me. Naturally, I looked for someone to blame. My anger turned immediately toward the "rich and the greedy." I assumed they had used their power and influence to manipulate the government into bailing them out with hundreds of billions of taxpayer dollars—money quietly siphoned from meager paychecks like ours.

I empathized with the Occupy Wall Street movement, which called for taxing the wealthy and redistributing the money to those of us in need. I have always felt for the "little guy," crushed under the weight of a system rigged in favor of the powerful, and resolved to do something about it. I would, indeed, become an investigative journalist just like my heroines, shining a light on the injustices and corruption that so many endured in silence.

Over the next ten years, I poured myself into that mission, criss-crossing the country to interview those "little guys" for my stories—ordinary people like my parents, trying to navigate a system stacked against them. I exposed public corruption, the soaring costs of living and education, and the growing polarization that was already beginning to tear communities apart.

⇸

I loved my job. The work was fascinating, but also heartbreaking; the people I interviewed deserved so much more. We all did.

My reporting earned accolades and awards, but even after a decade of "paying my dues," I still barely made enough to cover my bills, much less save for my future. The pit in my stomach never went away.

With every story and with each passing year, I was haunted by the same feeling: something just wasn't right. The future—once so thrilling to contemplate—felt utterly discouraging.

It was the opposite of everything I had believed about the American Dream, which had promised a better life through hard work and perseverance.

I couldn't possibly have known it at the time, but those difficult years were preparing me to recognize the discovery that would change my life. Though, like so many of our greatest insights, it would take some time to fully appreciate that.

⇸

I first encountered Bitcoin through friends in 2016, and even covered it briefly on local TV[2] in Sacramento, California the following year. Around the same time, I bought a little—not out of conviction, but as a gamble.

Back then I was stuck in the paradigm of the broken system, treating Bitcoin as little more than a lottery ticket. I didn't yet realize that it might be the best solution to the very problems I was trying to escape and expose.

It wasn't until a few years later, as I was trying to get a handle on my financial situation, that I finally picked up the Bitcoin books my mentor had been urging me to read.

As I read, the pieces started falling into place. I felt like a veil was lifted from over my eyes. So many things started to click.

I began to understand the true nature of the issues I'd been reporting on throughout my career: the people I interviewed weren't failing because they didn't work hard enough or because of bad luck. Like me, they were actually trapped in financial quicksand.

I began to realize that Bitcoin wasn't a gamble at all; it was a lifeline.

⤀

Learning about Bitcoin changed my life. It opened my eyes to the root causes behind the problems I had been questioning: *why* is the American Dream slipping away? *Why* is everything getting more expensive? *Why* have so many people lost hope? It made me realize that many of our basic assumptions about money—what it is and how it works—are flawed.

Our leaders may tell us the economy is strong, but the facts on the ground, in our homes and in our wallets, tell a different story.

Whether we blame ourselves, our political enemies, or some vague notion of misfortune, we know in our bones that something is wrong, and we feel helpless.

⤀

For years, I had reported on major events—economic crises, political shifts, social unrest—without fully understanding the one force silently shaping them all: *money*. I didn't yet have the tools to recognize how the monetary system drives so much of what we see in the headlines. Bitcoin gave me that lens—and once I saw it, I couldn't look away. That's why I left a promising career in legacy television journalism to educate people about Bitcoin.

It not only revealed the cause of so many of our problems, but also provided a solution: a new foundation for economic empowerment available to all of us.

I knew I couldn't keep this discovery to myself. Bitcoin gave me hope when I'd felt hopeless, and I knew that sharing this knowledge with the world was no longer merely aligned with my long-standing mission to help ordinary people. It was my *calling*.

1. EVERYONE SENSES THERE'S A PROBLEM

"A nickel ain't worth a dime anymore."

YOGI BERRA

EACH YEAR, THE same amount of money buys us less and less. That coffee on the way to work, the groceries on the way home, healthcare, car repairs, the cost of buying a house—nearly everything we need keeps getting more expensive.

This pattern feels so ingrained in our reality that we've come to see it as inevitable. After all, our parents paid much less for milk, homes, and college tuition than we do today—and our grandparents paid even less than that.

If you're like me, you've probably shrugged this off as beyond your control, chalking up rising costs to "just the way things are."

But have you ever stopped to wonder *why*? Why is everything getting more expensive while our ability to keep up feels like it's slipping away?

⤔

Even if we receive an annual raise, many of us still struggle to keep pace with living expenses—let alone make meaningful strides toward financial security or building wealth.

This relentless financial squeeze is especially heartbreaking because it runs counter to the very promise that so many of us, no matter where in the world we happen to live, grew up believing in: the American Dream. This ideal occupies a unique and sacred place in history, offering the hope of *a life defined by our efforts, not our circumstances*.

But achieving that dream today is another story. Like a child with a coloring book, many of us try our best to stay "inside the lines" of what we can afford. But the boundaries keep closing in, and the dream eludes us.

Something *is* dreadfully wrong.

⤔

Wealth concentration in the United States has surpassed that of almost every other major developed nation.[3]

Wages have barely risen over the last few decades.[4] What's worse, adjusted for inflation, they're actually hovering at just about the same rate they were 40 years ago!

One-in-eight among us are living in poverty.[5]

Meanwhile, in just the four years between March 2020 and December 2024, the combined wealth of America's top billionaires *increased* by more than 193%![6]

These aren't just numbers. They paint a stark picture of a system that continues to widen the gap between the haves and the have-nots.

⤔

You don't need to be an economist to recognize that the top 1% of Americans have amassed more wealth than the entire middle class, the undisputed backbone of society.

If this angers you, you're not alone.

This wealth concentration isn't because the "have-nots" have suddenly become lazy and incompetent. Or because the "haves" suddenly got extra greedy. There has always been greed and there always will be.

The problem lies in how money itself has been corrupted.

As billionaire Wall Street mogul Carl Icahn put it in an HBO documentary, "I made this money because the system is so bad, not because I'm a genius."[7]

He nailed it.

The fact that winners keep increasing their share of the pie while the rest of us fight over (fewer and fewer) crumbs is actually a symptom of the problem beneath all of the others: broken money.

Icahn's observation also points to a deeper truth. Even for those who feel that money is working just fine—where spending is as easy as swiping a credit card and investments grow steadily—a society that's structurally impoverished by a broken financial system is inherently fragile.

And the cracks in our social foundation are becoming pretty hard to ignore.

⤔

It wasn't supposed to be this way. This isn't the world we thought we were inheriting from our parents and grandparents.

Most of us were raised to believe that even when times were tough, a strong work ethic promised the chance at a better life for ourselves, our families, and our communities. But the goalposts keep moving.

For those holding down multiple jobs who *still* find that they're forced to take on debt to keep up with basic necessities, it just doesn't add up.

And among those enjoying the comforts of financial success, the consequences are still very real: how long can society hold together under the weight of a growing majority pushed to the brink by frustration and despair?

↠

To me, the American Dream embodies the hope my parents felt when they imagined coming to the United States. My mom would say that, back home in Poland, if you were born poor, you likely died poor. But in America, you could come from poverty—or arrive here with absolutely nothing—and with a strong work ethic and education, you could achieve absolutely anything. Years later, I'd come to meet other children of immigrant families who grew up hearing the exact same thing—and believing it, too.

This was the life my mother longed for, the life she moved heaven and earth to create for her family.

The fact that there is a country dedicated to those ideals, however imperfectly—one literally founded on the premise that the pursuit of freedom and happiness is the highest expression of human potential—has widened the lens on what is possible. It has attracted untold millions to America, unleashed vast reservoirs of human energy and ingenuity, and *it has changed the world*.

It's the one dream big enough to hold all others, and it's a dream worth fighting for. The American Dream is named for the country that has come to symbolize it most, but the dream really is *universal*.

⤐

That dream, however, is deeply in trouble.

When the cost of living rises so dramatically[8] that credit card debt hits all-time highs and delinquencies climb—especially among young adults—it's clear that something has gone very wrong.

When over half of Americans are saddled with medical debt (even those with insurance![9]), we know that something has gone very wrong.

When the skyrocketing cost of food brings tens of millions of Americans to food pantries[10] for support, we know that something has gone very wrong.

But perhaps nowhere is the faltering American Dream more evident than in the prospect of homeownership. Once a cornerstone of stability, homeownership is now out of reach for nearly half of all Americans due to soaring real estate prices,[11] forcing a quarter of millennials—my generation—to move back in with their parents.[12]

This hopelessness shows: a recent, startling survey from the University of Michigan found that young Americans are 50% more likely to question whether life has a purpose. Four in ten stated it's "hard to have hope for the world."[13]

Social media brims with emotional videos of young people who don't know how they'll ever be able to afford a home, or even be able to raise children without financial strain.

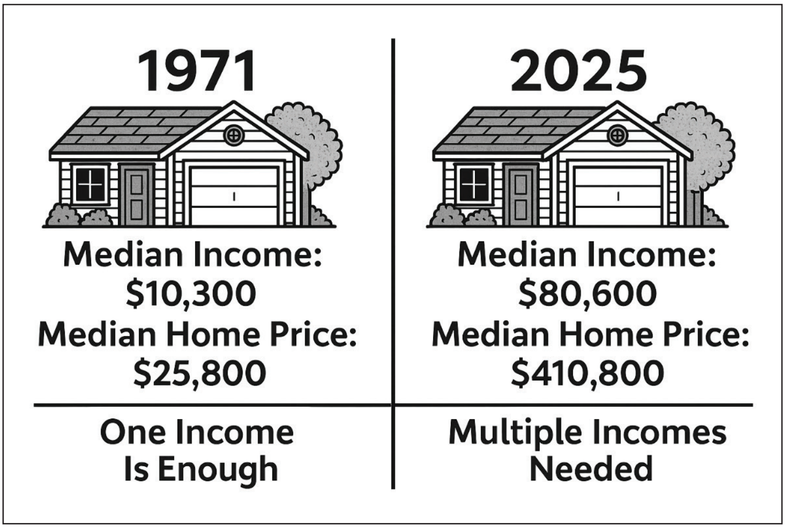
⤐

These are not the cries of the spoiled or greedy. They are heartfelt expressions of frustration and despair from a generation who can point to the modest, comfortable homes of their middle-class upbringing—now almost completely unattainable, with conservative estimates suggesting that over just the five years between 2020 and 2025, *incomes would have had to rise 79% in order to buy a typical home*[14]—as clear evidence of an economy gone awry.

And this burden doesn't stop with them. Younger generations face the crushing weight of skyrocketing college costs, while their parents delay retirement, working far beyond the years once reserved for rest. Even those with stable, well-paying jobs often find themselves juggling second or third incomes just to keep up with mounting rents and ever-increasing expenses.

As you can see in Figure 1, in 1971 a single middle-class income was enough to afford a nice home. The situation today looks very different.

Figure 1: Median income and median home price in 1971 and 2025



Source: United States Census Bureau, "Money Income in 1971" (December 1972); Federal Reserve Bank of St. Louis (2025).

Though we try to put on a brave face, our hearts are heavy with worry.

↠

When you break down issues to the level of basic human experience, we all have so much in common. We crave connection and a sense of belonging. We want to improve our lives today while saving for a brighter tomorrow; we want a quality education for our children, safer communities, a place we're proud to call home; we want the time we put into our jobs to be valued and compensated fairly. We also want to make sure that our families and the people who depend on us will be cared for when we're gone.

These are not idle fantasies; they are the foundation of a healthy society. So it's worth asking why many of us feel that the promise of this land of opportunity is vanishing, and why the ripple effects of this loss are felt far beyond America's shores.

↠

While global conversations have shifted into binary "us versus them" political battles, the fingerprints of our broken monetary system are everywhere.

The gap between the rich and everyone else isn't just growing; it's widening at an accelerating rate, making it impossible to catch up. If we're chasing a car that's gaining speed, at some point, it becomes impossible to close the gap.

It's why our yearly raises—if we're lucky enough to get them—fall so short. As we'll see in Chapter Two, those raises simply aren't keeping up with our loss of purchasing power.

None of this is natural or unavoidable.

↠

But we're getting ahead of ourselves. As the saying goes, "A problem defined is a problem half solved."* When we've only known one system for our entire lives, it can be difficult to clearly perceive it.

As a reporter, I was on a mission to uncover and expose the wrongs I saw all around me.

But, like the two young fish oblivious to water, I was so focused on the symptoms of broken money that I never thought to examine the system itself.

I didn't realize that money, the very foundation of our economy, was controlled by a select few who could expand its supply and alter its value with a mere keystroke. I didn't realize how deeply the ever-growing supply of money has affected every aspect of my life. The system was stacking the odds against people like me, while making it easier than ever for those at the top to continue growing their wealth.

But recognizing how this system affects the cost of living, the value of time, and the scope of our dreams is the first step toward reimagining it.

* This quote has been cited in various forms by a number of people. Most frequently it is attributed to Charles Kettering, Vice President and Director of Research for General Motors from 1920 to 1947.

Chapter 1 Summary

Our money buys less and less each year. We blame ourselves for falling behind. The cost of living has skyrocketed, and basic necessities, like housing, now demand multiple incomes when one used to feel like it was enough. This is not because we're lazy or irresponsible, but because we're living within a system of *broken money*—a system where most people work hard but barely get ahead, where wages don't keep up with rising prices, and where quality of life declines from one generation to the next. Understanding the nature of this problem is the first step toward reclaiming economic opportunity and reviving the American Dream.

Key Takeaway: The rising cost of living isn't your fault—it's the result of a broken monetary system that leads to extreme wealth concentration.

2. EVERYONE'S WORKING HARDER FOR LESS

"It isn't what we don't know that gives us trouble, it's what we know for sure that just ain't so—like thinking a dollar will always be worth a dollar."

JOSH BILLINGS

Most of us grew up hearing that we should work hard and save money. The idea was simple: if you put away part of your paycheck, over time you'll secure your future.

Benjamin Franklin famously said, "A penny saved is a penny earned." But today, it's more accurate to say that a penny saved is a penny lost. Simply earning a paycheck and saving in cash isn't enough anymore, and I wish I'd learned that sooner.

With the slow erosion of purchasing power that defines today's economy, money tucked away in a piggy bank or basic checking account loses value day by day, like an ice cube melting in the sun. For many, even saving into a workplace retirement plan isn't enough to ensure financial stability.[15]

This means that if you want to stay afloat (let alone get ahead), you can't just *save* money; **you have to *invest* it in things that grow in value**.

You'll have to acquire *assets* like stocks, real estate, gold, or even small businesses—anything that can appreciate or generate income faster than prices rise.

In other words, *you need your money to work for you*, just to keep up with the rising cost of living.

⤀

But how many of us have actually learned this? For those who didn't attend business school, the nuts and bolts of investing—both the *why* and the *how*—often remain overwhelming and mysterious.

So most wage earners (people who trade their time for a paycheck) have followed the age-old advice to work hard and save what they can, yet still find themselves falling behind.

To even preserve their standard of living, everyday workers must find a way, without any training or guidance, to become part-time investors.

As Michael Saylor, Executive Chairman of Strategy observed, "A person should not be required to speculate on central bank policy, boardroom politics, competitive dynamics, technology trends, regulatory interference, congressional politics, labor relations, litigation, and nation state conflicts just to preserve their life savings."[16]

That melting ice is pushing us into a race most of us never signed up for.

⇻

In recent years, I've watched friends take on debt to buy investment properties, aiming to improve their financial standing. Real estate has traditionally been a powerful wealth-building tool, and with good reason, but it's far from simple. Managing properties—whether for long-term rentals or short-term stays—requires time, expertise, and constant effort, all while navigating risks, maintenance costs, and other financial complexities.

Most of these friends never aspired to have a side hustle as a landlord. But as *Forbes* succinctly put it, "The global citizen has to work twice as hard thinking about money and how it can be tweaked to preserve and/or grow value."[17]

⇻

Whether we're aware of it or not, broken money has pushed us into a never-ending chase for *yield*—the preferred term, among professionals, for "*return on investment*."

We rarely stop to question what is actually happening, and why.

The answer comes down to *inflation*, but not the kind that makes the headlines. This inflation takes place long before we see prices rise.

⇻

We've spent our entire lives under the spell of inflation, accepting it as a given: prices go up! After all, that's what's been happening since our grandparents paid a quarter for bread and $1.50 for a movie (see Table 1).

Table 1: 1971 cost of living

Living	
New house	$25,200
Average income	$10,622 per year
New car	$3,560
Average rent	$150 per month
Tuition to Harvard University	$2,600 per year
Movie ticket	$1.50 each
Gasoline	40¢ per gallon
United States postage stamp	8¢ each

Food	
Granulated sugar	62¢ for 5 pounds
Vitamin D milk	$1.17 per gallon
Ground coffee	98¢ per pound
Bacon	80¢ per pound
Eggs	45¢ per dozen
Fresh ground hamburger	62¢ per pound
Fresh baked bread	25¢ per loaf

Source: www.wtfhappenedin1971.com.

While inflation is often discussed in terms of rising prices, that's only part of the story. At its core, inflation is a loss of purchasing power. And it's driven not by natural forces, but by an expanding money supply.

↠

More to the point: while rising prices represent the *effect* of inflation, they're not actually the *cause*.

The deeper source of our problems—the story we don't hear much about—is that ever-expanding supply of money. This is called *monetary inflation*, also known as *currency debasement*. For reasons we'll soon explore, when more money is created, each dollar becomes less valuable over time. The result? Prices go up, meaning your money doesn't stretch as far as it used to.

Monetary inflation is the hidden engine behind the soaring cost of many of life's essentials.

Now you might be thinking, "Wait, there are plenty of reasons prices go up! What about supply chain disruptions or tariffs?" While these factors can certainly cause prices to rise, they're often the well-publicized, near-term shocks—not the root cause.

The truth is, beneath those surface-level forces lies a deeper, more persistent current. The steady and relentless increase in the overall money supply is quietly eroding the value of our dollars.

↠

Take a look around: prices on everything we need—groceries, homes, insurance—have been climbing far faster than our paychecks.

Many groceries have nearly doubled over the last few years; a home that cost $60,000 in 1970—brand new!—now costs $500,000, while probably needing a complete remodel. What was once affordable on one middle-class income now requires two, or even three.

We feel the sting everywhere, but most of us aren't in a position to explore the systemic causes of our problems. We shrug our shoulders, vent to friends and family, or complain on social media. We assume someone "out there" is incredibly greedy—maybe a corporation, maybe the "super-rich"—and we go back to doing the best we can to make it all work.

After all, inflation is just a fact of life, right?

⤔

Rising prices wouldn't be so damaging if incomes rose at the same pace. But as we'll see, ***when the money supply expands, the new money created in the system doesn't reach everyone equally***. It flows in a very specific direction, benefiting some people (the wealthy and well-connected) while hurting others (the rest of us).

Workers rarely see any of that new money in the form of meaningful wage increases. Instead, it accumulates in fewer and fewer hands, driving up the price of assets owned by the wealthy, while putting enormous financial pressure on the vast majority of us over time.

And yet, even as technology continues to create efficiencies that *should* make everything cheaper for us, inflation remains the bedrock of our entire debt-based economic system.

⤔

Governments and central banks promote a "healthy" 2% annual inflation rate as necessary to keep the economy stable and growing.

The idea, they say, is that mild inflation encourages spending and investment and gives policymakers room to stimulate the economy when needed. This target isn't just embraced in the United States—it's the norm in most countries around the world.

That 2% refers to *consumer price inflation* (CPI, which actually stands for *Consumer Price Index*, the metric used to measure and document that inflation). CPI tracks the cost of things like food, clothing, cars, and other daily essentials. Anything higher than that 2% figure tends to stoke public frustration, but anything lower signals a slowing economy.

You've probably seen the constant news reports: inflation is rising, cooling, stabilizing, spiking. It's enough to make your head spin! But even when reports indicate that "inflation is coming down," it doesn't mean prices are falling. **It just means they're rising more slowly**.

People might assume that policymakers are earnestly trying to eliminate or reduce inflation. The reality is that inflation in this system isn't a temporary glitch to be resolved; it's actually baked in by design.

This puts us all on a moving walkway that speeds up 2% every year.

⇸»

Here's the data: averaging the CPI's year-over-year changes from 2000 onward, inflation works out to about 2.5% per year—very close to the official target.

This average even accounts for the post-pandemic spike, when CPI hit 9.1% in June 2022.[18]

Yet most of us know that our own bills and expenses have climbed far higher than 2.5%, especially in recent years.

If you've given CPI any thought at all, you probably assume, as I once did, that it reflects an accurate portrait of all types of inflation, including the ballooning cost of housing—but it doesn't.

For instance, college tuition increased by an average of 5.5% per year since 2000,[19] annual premiums for employer-sponsored family health coverage by an average of 6% per year,[20] and healthcare spending by 5.5% per year during that time.[21]

You may have also noticed that home prices have surged beyond that target inflation rate; since 2000, the median home price in the U.S. has increased by more than 4% annually, and in some regions by an average of more than 7% per year.[22]

Meanwhile, wages have roughly paralleled the stated CPI, showing only 3% annual growth since 2000.[23]

So while your paycheck might tick upward a bit each year, it definitely isn't keeping up with the rising costs of education, healthcare, and housing.

And the gap between what you earn and what life costs just keeps widening.

Table 2: Long-term price growth, 2000–2025

Category	Compound Annual Growth Rate (CAGR) 2000—2025
Headline CPI	2.5 %
Median wages	3.0 %
Median home price	4.1 %
College tuition & fees	5.5 %
Healthcare spending	5.5 %
Health coverage premiums	6.0%

Source: "2024 Employer health Benefits Survey," KFF, (October 2024), www.kff.org.

So why is there a disconnect between the official inflation rate and the rising prices we actually experience?

The fact is, the CPI tracks the prices of a hypothetical "basket of goods" representing everyday purchases, *but the contents of that basket are often cherry-picked and continually rearranged*.

When steak gets too expensive, statisticians assume that shoppers will just buy chicken instead. So they just replace "steak" with "chicken" in their calculations and claim the cost of living stayed the same. When a new car offers better safety tech or a bigger screen, the CPI treats it as "getting more for your money," a bit of financial wizardry that makes it look like the price actually went down.

Other adjustments also contribute to the mismatch. Sizes quietly shrink ("shrinkflation"), and rent—the largest expense in most household budgets—is, jaw-droppingly, calculated by asking a sampling of homeowners to essentially "guesstimate" how much they'd rent their homes for if they decided to do so. Together, these silent tweaks help to preserve the "safe" 2% target, even as our real-world expenses climb much faster.

The point is: the inflation numbers being reported to us don't match the reality we're experiencing.

⤀

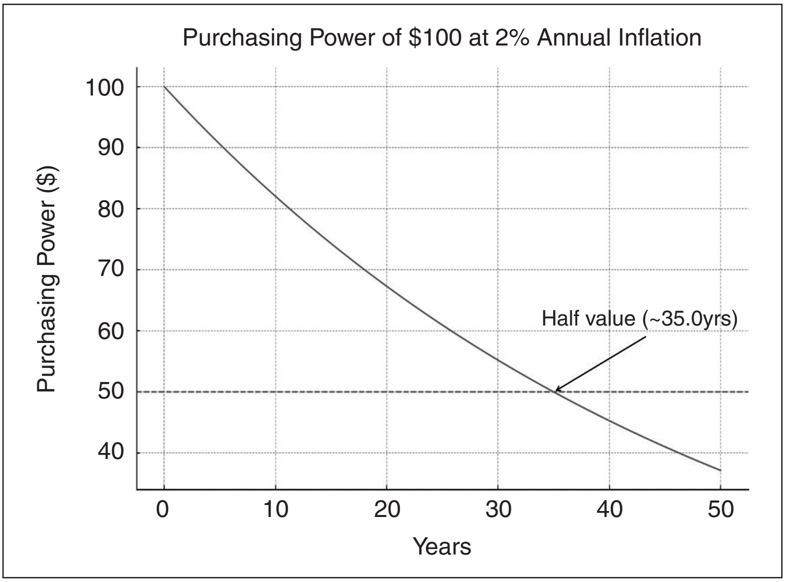
Even if inflation really were just 2% a year—and we know it's not—that seemingly small number would still quietly erode our purchasing power over time. And this doesn't even take into account the power of *compounding*. In reality, the true cost increases are far higher.

Like a boat taking on water at a slow and steady rate, 2% inflation would probably feel manageable at first. But as the water starts to accumulate faster than you can remove it, each new inch adds to the load you're already struggling to manage. Over time, you're not just bailing out what leaked in this year—you're dealing with water that's been building up for years. That's how compounding inflation works: it quietly increases your burden, until you're barely staying afloat.

What starts as a small inconvenience builds into a crisis as purchasing power is drained from our savings, salaries, and pensions. Over time, the result is clear: even when we're doing everything "right," we're still sinking.

Because of compounding, the consequences of even minor monetary inflation become quickly magnified. It means that after 35 years, the purchasing power of our money gets cut in half.

Chart 1: How compounding affects purchasing power at 2%



Source: Example from Natalie Brunell to illustrate compound interest calculation.

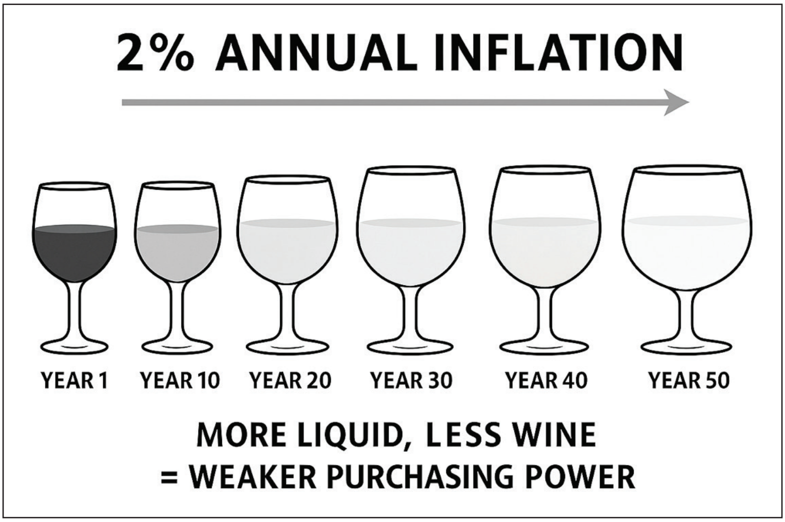
Let's pause right there. You may be wondering: "If there's more money to go around each year, isn't that good for everyone? Doesn't it make everyone richer?"

It's a fair question. While it might be a bit counterintuitive, adding more money to the system doesn't translate to more wealth for everyone. Instead, for most of us, adding money to the system actually dilutes its value.

Picture a glass of fine red wine. If you add just a splash of water—say, 2%—you might not notice much of a difference at first. But keep adding water, year after year, and eventually, the wine becomes unrecognizable. The color fades, the flavor disappears, and you're left with a weak, watered-down version of the original. You'll eventually need a bigger glass to hold it all!

But here's the catch. You don't actually have more wine—you have increasingly diluted wine, which is on its way to becoming little more than flavored water.

Figure 2: Inflation acts like dilution



That's exactly what happens with monetary inflation. As we will soon explore, the nature of money is such that as its supply expands, the purchasing power of each unit (in this case, the dollar) is incrementally diluted.

⇸

Say you own a rare trading card—one of only 21 ever printed. Its value comes from that built-in scarcity; collectors know they'll have to bid against each other to score one. Now, picture a factory suddenly churning out hundreds of identical copies. Overnight, what was once quite rare is now practically commonplace. Because the supply has exploded, the market price of your original card collapses.

Money works in much the same way. When the supply of dollars grows faster than the supply of goods and services available for purchase, each individual dollar commands a smaller slice of real value, and its "collectibility" drops. Just as flooding the market with more cards dilutes their worth, flooding the economy with new dollars dilutes each dollar's purchasing power. You need more of them to pay for the same groceries, rent, or concert tickets.

↠

And it gets even worse. As we touched on earlier, *new money isn't distributed evenly throughout the economy*. Instead, it's piped in the direction of those closest to its source: powerful institutions, large corporations, and the financial elite.

We'll see how this creates an uneven playing field, filling the glasses of those at the top with rich red wine while everyone else is left with dull, watered-down runoff.

↠

Chapter 2 Summary

We grew up thinking that hard work and saving money would secure our future. But today, that formula no longer works. Quietly and steadily, inflation erodes the value of every dollar we earn. Official numbers like the CPI might suggest that things are stable, but those figures are adjusted in ways that mask the true rise in living costs. Meanwhile, wages have failed to keep up, and ordinary people are forced into the role of reluctant investors—buying real estate, stocks, or anything else that might outpace inflation—just to preserve their purchasing power.

Key Takeaway: You're not falling behind because you made bad choices. You're falling behind because the system is designed to shrink the value of your money over time.