



A CAPSTONE METALS STUDY GUIDE

The Dollar, the Banks and Your Deposits

Two hundred years of monetary and banking law, in dates —
and what each change meant for an ordinary household with
money in the bank.

30

dated entries

57

primary sources

\$250,000

insured, per category

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HOW TO USE THIS GUIDE

A record you can check, not a sales brochure

Everything in this guide is printed from the free education center at <https://capstonemetals.com/education>. Nothing was added for the PDF and nothing was softened for it. Every dated entry names the statute, executive order or official series it comes from, with the publisher and the full web address printed beneath it so you can read the original rather than our summary of it.

The guide is built in parts. Part One is the timeline: what happened to the dollar and to American banking, era by era. Part Two is the American money wars – the six centuries before the Federal Reserve, from tally sticks to Jekyll Island. Part Three is deposit risk: what federal insurance covers, where your claim ranks if a bank is wound down, and the six different ways money in a bank can become unavailable. Part Four is the arithmetic of purchasing power. The final parts are the study material – checklists, questions to ask any institution holding your money, and space to write.

WHAT THIS GUIDE IS NOT

It is not advice, not a forecast and not a recommendation to buy anything. No price prediction appears anywhere in it. Where informed people disagree, both positions are stated and neither is presented as settled. Capstone Metals sells physical precious metals; that is disclosed on every page, and you should weigh this document accordingly.

The four questions asked of every entry

- ◆ What happened – the matter of record, dated.
- ◆ Why it was done – the stated rationale at the time, not our reading of the motive.
- ◆ What it meant for savers – the practical effect on an ordinary household.
- ◆ If you had \$100,000 in the bank – the same question, asked of every banking entry.

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1792 - 1913

When a dollar was a weight

For most of American history the dollar was not a policy target. It was a defined weight of metal, and paper was a claim check on that weight.

2 dated entries in this era.



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1792

The Coinage Act defines the dollar as a weight of silver

MONETARY LAW

WHAT HAPPENED

Congress defined the dollar as 371.25 grains of fine silver, set gold at a fixed ratio, and made counterfeiting the coinage a capital offense.

WHY IT WAS DONE

A new country needed a unit of account merchants and foreign creditors would accept. Defining money as a weight removed the temptation to redefine it later.

WHAT IT MEANT FOR SAVERS

Savings were denominated in something that could be weighed. A dollar saved in 1800 still bought comparable goods a century later, because nobody could print a weight.

PRIMARY RECORDS

Coinage Act of 1792, full text — Library of Congress, Statutes at Large

<https://www.loc.gov/law/help/statutes-at-large/1st-congress.php>

History of the United States Mint and its coinage — US Mint

<https://www.usmint.gov/learn/history>



1900

Gold Standard Act: \$20.67 buys one ounce of gold

MONETARY LAW

\$20.67

per ounce of gold, by law

WHAT HAPPENED

Gold was made the single standard of value at \$20.67 per troy ounce. A \$20 gold piece contained very close to one ounce of gold, and a \$20 note was redeemable for it.

WHY IT WAS DONE

To end decades of argument over silver and give the currency one unmistakable definition.

WHAT IT MEANT FOR SAVERS

A twenty-dollar bill and a twenty-dollar gold coin were interchangeable. That equivalence is the reference point for everything that follows on this page.

PRIMARY RECORDS

Gold Standard Act of 1900 — US Senate historical records

https://www.senate.gov/artandhistory/history/minute/Gold_Standard_Act.htm

Historical gold price series, 1833–present — Federal Reserve Bank of St. Louis (FRED)

<https://fred.stlouisfed.org/series/M1381AUSM384NNBR>



1913 – 1945

A central bank, and the first great break

The dollar acquired a manager. Within twenty years, private gold ownership was outlawed and the dollar was devalued by more than a third overnight.

5 dated entries in this era.



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DEC 23, 1913

The Federal Reserve Act creates the central bank

MONETARY LAW

WHAT HAPPENED

The Federal Reserve Act established twelve regional Reserve Banks, owned by their member commercial banks, coordinated by a Washington board, with the power to issue Federal Reserve Notes and set the terms of credit.

WHY IT WAS DONE

The stated purpose was to end recurring bank panics — most immediately the Panic of 1907 — by creating a lender of last resort that could supply liquidity when depositors ran.

WHAT IT MEANT FOR SAVERS

For the first time an institution could expand the supply of dollars without adding an ounce of metal. It is worth being precise about the name: the Reserve Banks are not ordinary federal agencies and their stock is held by member banks, not by the public — which is the substance behind the common quip that it is neither strictly federal nor anyone's reserve.

FOOTNOTES

- 1 Lender of last resort.** The power to create reserves and lend to solvent banks during a panic. Before 1913 a bank run ended when the cash in the vault ran out; after 1913 it could end with a loan from the central bank instead.
- 2 Elastic currency.** The stated purpose in the Act's own title: 'to furnish an elastic currency.' Elastic means the quantity of money can expand and contract by decision. That is the entire change — the supply became a policy choice rather than a mining constraint.

PRIMARY RECORDS

Federal Reserve Act, December 23, 1913 — Federal Reserve Board

<https://www.federalreserve.gov/aboutthefed/fract.htm>

Federal Reserve Act — founding essay — Federal Reserve History

<https://www.federalreservehistory.org/essays/federal-reserve-act-signed>

OCT 1929

The Crash of 1929 and the Great Depression

CRASH

–89%

Dow, peak to trough

WHAT HAPPENED

Between the September 1929 peak and the July 1932 bottom, the Dow fell roughly 89%. Thousands of banks failed and depositor money simply vanished.

WHY IT WAS DONE

A credit and margin boom met a contracting money supply. Economists still argue the weighting, but nobody disputes that leverage built the peak.

WHAT IT MEANT FOR SAVERS

Paper wealth was erased and, because deposits were not insured, so was cash. Households learned the hard way that a claim on an institution is only as good as the institution.

**PRIMARY RECORDS****Stock market crash of 1929 — Federal Reserve History**

<https://www.federalreservehistory.org/essays/stock-market-crash-of-1929>

Dow Jones Industrial Average, historical record — S&P Dow Jones Indices

<https://www.spglobal.com/spdji/en/indices/equity/dow-jones-industrial-average/>

APR 5, 1933

Executive Order 6102 confiscates private gold

CURRENCY DEVALUATION

WHAT HAPPENED

Americans were ordered to surrender gold coin, bullion and gold certificates to the Federal Reserve at \$20.67 per ounce, with limited exemptions for collectible coins, jewelry and industry.

WHY IT WAS DONE

The Treasury wanted room to expand the money supply, which the gold cover requirement constrained. Removing gold from private hands removed the constraint.

WHAT IT MEANT FOR SAVERS

The one asset a household could hold outside the banking system was, for a time, illegal to hold. Private gold ownership was not fully restored until 1974.

FOOTNOTES

- 1 What was actually required.** Executive Order 6102 required delivery of gold coin, gold bullion and gold certificates to a Federal Reserve Bank by May 1, 1933, in exchange for \$20.67 an ounce in currency. Exemptions covered up to \$100 in gold coin, rare and collectible coins, industrial and professional use, and jewellery.
- 2 The penalty on the page.** The order specified a fine of up to \$10,000, up to ten years' imprisonment, or both. Prosecutions were rare; the compliance came mostly from the announcement.

PRIMARY RECORDS

Executive Order 6102, April 5, 1933 (scan) — US National Archives

<https://catalog.archives.gov/id/299963>

Roosevelt's gold program — Federal Reserve History

<https://www.federalreservehistory.org/essays/roosevelts-gold-program>

JUN 16, 1933

The Banking Act creates the FDIC — because deposits were never risk-free

BANKING LAW

\$2,500 → \$250,000

insurance limit, 1934 to today

WHAT HAPPENED

The Banking Act of 1933 separated commercial and investment banking and created the Federal Deposit Insurance Corporation. National deposit insurance began on January 1, 1934, covering up to \$2,500 per depositor. The limit rose over the following decades — \$5,000, \$10,000, \$15,000, \$20,000, \$40,000, \$100,000 — and reached \$250,000, made permanent by the Dodd-Frank Act in 2010.

WHY IT WAS DONE

Thousands of bank failures had shown that a deposit is a claim on a company, not a box of your own cash. Insurance was created to stop runs by making the small depositor whole.

WHAT IT MEANT FOR SAVERS

This is one of the genuinely good reforms in the record, and we say so. It also contains the lesson almost nobody draws from it: federal insurance exists precisely because bank deposits are not inherently safe. Everything above the limit still sits outside the boundary.

IF YOU HAD \$100,000 IN THE BANK

In 1933, \$100,000 in a failed bank made you a creditor of a receivership. From 1934 the first \$2,500 was insured — about 2.5% of it. Today the first \$250,000 per depositor, per bank, per ownership category is insured, and the arithmetic finally favours the ordinary family.

FOOTNOTES

- ① **What the FDIC actually insures.** Deposits — checking, savings, money-market deposit accounts and CDs — up to the limit, per depositor, per insured bank, for each ownership category. It does not insure investments bought at a bank, safe deposit box contents, or the purchasing power of the dollars.

- 2 **\$2,500 to \$250,000.** Coverage opened at \$2,500 in 1934 and rose by statute over ninety years: \$5,000 (1934), \$10,000 (1950), \$20,000 (1969), \$40,000 (1974), \$100,000 (1980), and \$250,000, made permanent by Dodd-Frank in 2010.
- 3 **Glass-Steagall, the separation half.** The same 1933 Act separated deposit-taking commercial banking from securities underwriting and dealing. That separation, not the insurance, is what was repealed in 1999 – the insurance stayed.

PRIMARY RECORDS

The FDIC at 90: deposit insurance from \$2,500 to \$250,000 – FDIC

<https://www.fdic.gov/90years>

Banking Act of 1933 (Glass-Steagall) – Federal Reserve History

<https://www.federalreservehistory.org/essays/glass-steagall-act>

JAN 30, 1934

The dollar is devalued to \$35 an ounce

CURRENCY DEVALUATION

-41%

gold content of the dollar

WHAT HAPPENED

Months after buying gold at \$20.67, the government revalued it at \$35.00 an ounce — a roughly 41% reduction in the gold content of a dollar.

WHY IT WAS DONE

A cheaper dollar was intended to raise prices, help debtors and boost exports out of the Depression.

WHAT IT MEANT FOR SAVERS

Anyone who complied in 1933 was paid in dollars that bought about 41% less gold within a year. It is the cleanest example in American history of the saver bearing the cost of a policy choice.

FOOTNOTES

- ① **A 41% devaluation, in one figure.** The official price moved from \$20.67 to \$35.00 an ounce. A dollar that had been 1/20.67 of an ounce became 1/35 of an ounce — roughly 41% less gold for the same dollar, applied to citizens who had just been required to hand the metal in at the old price.

PRIMARY RECORDS

Gold Reserve Act of 1934 — Federal Reserve History

<https://www.federalreservehistory.org/essays/gold-reserve-act-of-1934>

Status report of US Treasury-owned gold — US Treasury, Fiscal Service

<https://fiscaldata.treasury.gov/datasets/status-report-government-gold-reserve/>

1944 – 1980

Bretton Woods, and the closing of the window

The world agreed to hold dollars because dollars were redeemable in gold. When redemption ended, the entire system became a promise.

3 dated entries in this era.



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JUL 1944

The Bretton Woods Agreement makes the dollar the world's reserve

MONETARY LAW

44

nations, one anchor

WHAT HAPPENED

Forty-four nations met in New Hampshire and pegged their currencies to the US dollar, which remained convertible into gold at \$35 an ounce for foreign governments. The IMF and World Bank were created here.

WHY IT WAS DONE

The interwar years had shown what competitive devaluations and trade blocs did to the world economy. A single anchor was meant to restore stability.

WHAT IT MEANT FOR SAVERS

Global demand for dollars gave the United States an enormous privilege — and a discipline. Foreign central banks could always ask for metal instead.

PRIMARY RECORDS

Creation of the Bretton Woods system — Federal Reserve History

<https://www.federalreservehistory.org/essays/bretton-woods-created>

Cooperation and reconstruction, 1944–71 — International Monetary Fund

<https://www.imf.org/external/about/histcoop.htm>



AUG 15, 1971

The Nixon Shock ends gold convertibility

CURRENCY DEVALUATION

\$35 → \$800+

gold, 1971 to 1980

WHAT HAPPENED

President Nixon suspended the dollar's convertibility into gold, describing the step as temporary. It was never reversed. Within two years the world had moved to floating exchange rates.

WHY IT WAS DONE

Vietnam and Great Society spending had put far more dollars abroad than the US held in gold. France and others were redeeming. The window was closed rather than the spending.

WHAT IT MEANT FOR SAVERS

From this date the dollar has been backed by nothing but confidence and taxing power. Gold, freed to trade, went from \$35 to over \$800 by 1980 — which is another way of saying the dollar lost the great majority of its purchasing power against metal in a decade.

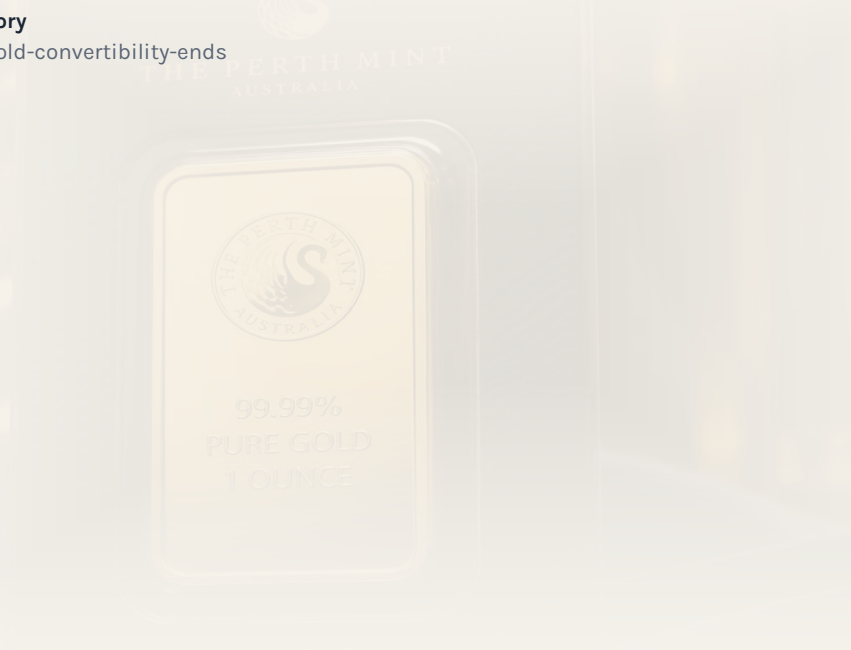
PRIMARY RECORDS

Address to the Nation on economic policy, August 15, 1971 — American Presidency Project

<https://www.presidency.ucsb.edu/documents/address-the-nation-outlining-new-economic-policy-the-challenge-peace>

Gold convertibility ends — Federal Reserve History

<https://www.federalreservehistory.org/essays/gold-convertibility-ends>



1973 – 1982

The Great Inflation, and 20% interest rates

CRASH**14.8%**

peak US CPI inflation

WHAT HAPPENED

US consumer inflation peaked near 14.8% in 1980. Paul Volcker's Federal Reserve pushed the funds rate above 19% to break it, causing back-to-back recessions.

WHY IT WAS DONE

A decade of monetary accommodation, oil shocks and wage-price dynamics with no metallic constraint on the currency.

WHAT IT MEANT FOR SAVERS

Savers in bonds and bank accounts lost purchasing power for years. Anyone who held a fixed dollar promise through the 1970s was quietly poorer at the end of it, even with interest.

PRIMARY RECORDS

The Great Inflation, 1965–1982 — Federal Reserve History

<https://www.federalreservehistory.org/essays/great-inflation>

CPI for all urban consumers, full annual series — US Bureau of Labor Statistics

<https://www.bls.gov/cpi/data.htm>



1980 - 1999

Deregulation, and who pays when a bank fails

Four laws in twenty years reshaped what a bank could do with your deposit. Each was defensible on its own terms, and together they changed who carried the loss when the risk went wrong.

4 dated entries in this era.



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MAR 31, 1980

Deposit-rate ceilings are phased out (DIDMCA)

BANKING LAW

\$40k → \$100k

deposit insurance limit, 1980

WHAT HAPPENED

The Depository Institutions Deregulation and Monetary Control Act began phasing out interest-rate ceilings on deposits, extended reserve requirements to more institutions, and raised federal deposit insurance from \$40,000 to \$100,000 per depositor.

WHY IT WAS DONE

With inflation in double digits, capped deposit rates were driving savers out of banks and thrifts entirely. The caps had become a subsidy paid by the depositor.

WHAT IT MEANT FOR SAVERS

Savers could finally be paid a market rate. Institutions that had lent long at low fixed rates now had to pay short at high ones — a squeeze that set up the decade's failures.

IF YOU HAD \$100,000 IN THE BANK

\$100,000 became exactly the insured amount, and for the first time earned a competitive rate. The same law made the institution holding it structurally more fragile.

FOOTNOTES

- 1 **Regulation Q.** The interest-rate ceiling on deposits, in force since 1933. DIDMCA began phasing it out, letting institutions compete for deposits on rate — and, at the same time, raised federal deposit insurance from \$40,000 to \$100,000.

PRIMARY RECORDS

Depository Institutions Deregulation and Monetary Control Act of 1980 — Federal Reserve History

<https://www.federalreservehistory.org/essays/monetary-control-act-of-1980>

OCT 15, 1982

Thrifts are given far wider powers (Garn–St Germain)

BANKING LAW

WHAT HAPPENED

The Garn–St Germain Act allowed savings institutions to hold commercial real estate and commercial loans, offer money-market-style accounts, and use adjustable-rate mortgages.

WHY IT WAS DONE

Thrifts were insolvent on a mark-to-market basis after the rate shock. Rather than close them, Congress gave them new business lines and the chance to earn their way out.

WHAT IT MEANT FOR SAVERS

The gamble was funded by insured deposits, which means the downside was socialised from the start. It is a clean illustration of moral hazard, not a conspiracy.

WHAT CRITICS SAY

Expanded powers plus insured funding let weak institutions take large risks with someone else's guarantee behind them.

WHAT SUPPORTERS SAY

Without new powers the thrift industry faced immediate mass closure, and the rate shock – not the statute – was the underlying cause.

FOOTNOTES

- 1 **Why widened powers mattered.** Thrifts were permitted to move well beyond home mortgages into commercial real estate, land and consumer lending, while their deposits remained federally insured. Losses landed on the insurance fund; the gains, where there were any, did not.
- 2 **Moral hazard, defined once.** When someone else absorbs the downside, the rational amount of risk to take goes up. This is the textbook case, and it is cited in the FDIC's own history of the period.

PRIMARY RECORDS

Garn–St Germain Depository Institutions Act of 1982 – Federal Reserve History

<https://www.federalreservehistory.org/essays/garn-st-germain-act>

1986 – 1995

The savings and loan collapse, FIRREA and the Resolution Trust Corporation

BANK FAILURE

≈ \$124B

direct taxpayer cost, S&L cleanup

WHAT HAPPENED

Roughly 1,000 savings institutions failed. FIRREA (1989) abolished the thrift regulator and its insurance fund, created the Resolution Trust Corporation to sell the wreckage, and put thrift insurance under the FDIC. Government audits placed the direct cost to taxpayers at roughly \$124 billion.

WHY IT WAS DONE

Insolvent institutions had been allowed to keep operating on regulatory forbearance while losses compounded.

WHAT IT MEANT FOR SAVERS

Insured depositors were made whole. The public paid for it. That is the trade deposit insurance makes, and it is worth understanding before the next cycle rather than after it.

IF YOU HAD \$100,000 IN THE BANK

\$100,000 in a failed thrift was insured and paid. The bill arrived later, in the form of a taxpayer-funded cleanup and a currency being expanded to pay for a great many things at once.

FOOTNOTES

- 1 The 1,043 figure.** The FDIC records that 1,043 thrifts holding roughly \$519 billion in assets failed between 1986 and 1995. The direct cost of resolving them is put at about \$160 billion, of which roughly \$132 billion was borne by taxpayers.
- 2 What FIRREA changed.** It abolished the insolvent FSLIC insurance fund and the Federal Home Loan Bank Board, moved thrift insurance to the FDIC, created the Resolution Trust Corporation to liquidate failed institutions, and raised capital requirements.

PRIMARY RECORDS, CONTINUED

1986 – 1995 — The savings and loan collapse, FIRREA and the Resolution Trust Corporation

The savings and loan crisis and its relationship to banking — FDIC, History of the Eighties

<https://www.fdic.gov/bank/historical/history/>

Resolving the thrift crisis — cost to taxpayers — US Government Accountability Office

<https://www.gao.gov/products/ggd-96-123>



NOV 12, 1999

Gramm–Leach–Bliley repeals the Glass–Steagall separation

BANKING LAW

WHAT HAPPENED

The Gramm–Leach–Bliley Act repealed the parts of the 1933 Banking Act that separated commercial banking from securities underwriting and insurance, allowing financial holding companies to combine all three.

WHY IT WAS DONE

Supporters argued the separation was obsolete, that diversified institutions were more stable, and that American banks needed to compete with universal banks abroad.

WHAT IT MEANT FOR SAVERS

We are not going to tell you this single statute caused 2008; serious analysts disagree, and the firms at the centre of the crisis included pure investment banks and pure thrifts. What is beyond dispute is that the institution holding your checking account was now permitted to sit inside a much larger risk-taking enterprise.

WHAT CRITICS SAY

Combining deposit-taking with trading and underwriting extended an implicit public backstop over activities it was never meant to cover.

WHAT SUPPORTERS SAY

Diversification and scale let healthy banks absorb failing firms during the crisis, and the worst failures happened outside the commercial-banking model entirely.

FOOTNOTES

- 1 **What was repealed, precisely.** Sections 20 and 32 of the Glass-Steagall Act — the affiliation restrictions between commercial banks and securities firms. Sections 16 and 21, which limit a bank's own securities dealing, remain law.
- 2 **Financial holding company.** The new structure the Act created, permitting banking, securities underwriting and insurance under one corporate roof, with the Federal Reserve as umbrella supervisor.

PRIMARY RECORDS

Gramm–Leach–Bliley Act, Public Law 106-102 — US Congress

<https://www.congress.gov/bill/106th-congress/senate-bill/900>

Financial services modernization and its critics — Federal Reserve History

<https://www.federalreservehistory.org/essays/gramm-leach-bliley-act>

1985 – 1999

Managed money: the accords era

Governments began coordinating the value of currencies openly, as policy. The dollar's price became a negotiated outcome.

3 dated entries in this era.



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SEP 22, 1985

The Plaza Accord: five governments agree to weaken the dollar

CURRENCY DEVALUATION

≈ -40%

dollar vs yen, 1985–87

WHAT HAPPENED

At the Plaza Hotel in New York, finance ministers of the US, Japan, West Germany, France and the UK agreed to intervene jointly to push the dollar down. Over the following two years it fell roughly 40% against the yen and the Deutsche Mark.

WHY IT WAS DONE

The Reagan administration faced a soaring dollar, a record trade deficit and rising protectionist pressure in Congress. A weaker dollar was chosen over tariffs.

WHAT IT MEANT FOR SAVERS

This is the clearest modern proof that a currency's value is a policy lever, not a law of nature. A saver holding only dollars was on the wrong side of a deliberate, announced decision.

PRIMARY RECORDS

Plaza Accord announcement, September 22, 1985 — Federal Reserve History

<https://www.federalreservehistory.org/essays/plaza-accord>

Nominal broad dollar index, historical series — Federal Reserve Bank of St. Louis (FRED)

<https://fred.stlouisfed.org/series/DTWEXBGS>

FEB 1987

The Louvre Accord tries to stop the fall

POLICY

–22.6%

Dow, Black Monday 1987

WHAT HAPPENED

The same governments met in Paris to halt the dollar's decline they had engineered eighteen months earlier.

WHY IT WAS DONE

The dollar had fallen further and faster than intended, and Japan in particular was absorbing the shock.

WHAT IT MEANT FOR SAVERS

Steering a currency is easier to start than to stop. Later that year, in October 1987, equities fell 22.6% in a single session — the largest one-day percentage loss on record.

PRIMARY RECORDS

Louvre Accord, February 1987 — Federal Reserve History

<https://www.federalreservehistory.org/essays/louvre-accord>



1997 – 1998

Asian crisis, Russian default, LTCM

CRASH

WHAT HAPPENED

Pegged Asian currencies broke, Russia defaulted, and a single hedge fund's leverage required a Fed-organised rescue to prevent broader failures.

WHY IT WAS DONE

Hot capital, currency pegs and leverage — a pattern that recurs with different names each cycle.

WHAT IT MEANT FOR SAVERS

Households far from those markets discovered their retirement accounts were connected to them. Contagion is a feature of a system built on interlocking promises.

PRIMARY RECORDS

Monetary policy in the 1990s — Federal Reserve History

<https://www.federalreservehistory.org/time-periods/great-moderation>

S&P 500 historical index levels — Federal Reserve Bank of St. Louis (FRED)

<https://fred.stlouisfed.org/series/SP500>



2000 - 2020

The era of rescues

Three crises in twenty years, each answered by creating money. Each rescue worked, and each one moved a little more risk onto the saver.

6 dated entries in this era.



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2000 - 2002

The dot-com collapse erases about \$5 trillion

CRASH

≈ \$5T

market value erased

WHAT HAPPENED

The Nasdaq fell roughly 78% from its March 2000 peak. Widely cited estimates put the market value destroyed at around \$5 trillion.

WHY IT WAS DONE

A genuine technological shift financed by speculation, with valuations detached from earnings.

WHAT IT MEANT FOR SAVERS

Retirement accounts concentrated in equities took a decade to recover in nominal terms — longer after inflation.

PRIMARY RECORDS

NASDAQ Composite historical series — Federal Reserve Bank of St. Louis (FRED)

<https://fred.stlouisfed.org/series/NASDAQCOM>

US business cycle expansions and contractions — National Bureau of Economic Research

<https://www.nber.org/research/data/us-business-cycle-expansions-and-contractions>

2007 – 2009

The Global Financial Crisis erases roughly \$17 trillion in US household wealth

CRASH

 $\approx \$17T$

US household net worth lost

WHAT HAPPENED

Housing and mortgage credit collapsed. The S&P 500 fell about 57%, US home prices fell about 27%, Lehman Brothers failed, and Federal Reserve analyses estimate American households lost on the order of \$17 trillion in net worth from the 2007 peak to the 2009 trough. TARP, ZIRP and quantitative easing followed.

WHY IT WAS DONE

Two decades of credit expansion, securitisation that hid risk, and ratings that mispriced it. The rescue was chosen to prevent a 1930s-style banking collapse.

WHAT IT MEANT FOR SAVERS

A generation learned that a paper balance can halve in eighteen months and that the answer will be more currency, not less. Gold roughly doubled over the same period, which is the whole reason families started asking us about it.

PRIMARY RECORDS

The financial crisis: a timeline of events — Federal Reserve History

<https://www.federalreservehistory.org/timelines/financial-crisis>

Financial accounts of the United States (household net worth) — Federal Reserve Board, Z.1 release

<https://www.federalreserve.gov/releases/z1/>

OCT 3, 2008

TARP, and the insurance limit rises to \$250,000

BANKING LAW

\$700B

authorised for TARP

WHAT HAPPENED

The Emergency Economic Stabilization Act authorised up to \$700 billion for the Troubled Asset Relief Program and temporarily raised the basic FDIC insurance limit from \$100,000 to \$250,000. Separately, the Federal Reserve and Treasury extended trillions in liquidity, guarantees and swap lines.

WHY IT WAS DONE

Credit markets had stopped functioning. The stated objective was to keep the payments system open and prevent a 1930s-style banking collapse.

WHAT IT MEANT FOR SAVERS

The rescue worked at the level it was aimed at. The order in which it worked is worth noticing: liquidity to the banking system, then capital to institutions, then a higher guarantee for depositors. Ask who was protected first, and the honest answer is the plumbing — because everyone's money runs through it.

IF YOU HAD \$100,000 IN THE BANK

\$100,000 was fully insured before and after, and never at risk in a covered bank. What it lost was yield: rates went to zero for seven years, so the safe option quietly stopped paying anything.

FOOTNOTES

- 1 **\$700 billion, then \$475 billion.** The Emergency Economic Stabilization Act authorised up to \$700 billion; the authority was later reduced to \$475 billion by Dodd-Frank. Treasury reports that TARP disbursements were substantially repaid with interest and dividends.
- 2 **The temporary insurance increase.** The same Act raised deposit insurance from \$100,000 to \$250,000 on a temporary basis. Dodd-Frank made it permanent in 2010 — the crisis limit became the standing limit.

PRIMARY RECORDS, CONTINUED**Oct 3, 2008 — TARP, and the insurance limit rises to \$250,000****Emergency Economic Stabilization Act of 2008 (TARP) — US Congress**

<https://www.congress.gov/bill/110th-congress/house-bill/1424>

Deposit insurance limit and the Dodd-Frank Act — FDIC

<https://www.fdic.gov/resources/deposit-insurance/deposit-insurance-fund/dif-historical/dif-dodd-frank-act.html>



JUL 21, 2010

Dodd-Frank: the \$250,000 limit becomes permanent, and bail-in enters the law

BANKING LAW

WHAT HAPPENED

The Dodd-Frank Act made the \$250,000 insurance limit permanent, raised capital and stress-testing requirements, and created an orderly-liquidation authority for large financial companies under which losses fall on shareholders and certain creditors rather than taxpayers.

WHY IT WAS DONE

Congress wanted an alternative to the 2008 choice between a disorderly bankruptcy and a public bailout.

WHAT IT MEANT FOR SAVERS

The word to learn here is bail-in, and it does not mean what social media says it means. It does not authorise taking insured deposits. It does mean that in a failure, the order of who absorbs losses is written down – and uninsured depositors sit in that order, ahead of general creditors but behind the insured.

IF YOU HAD \$100,000 IN THE BANK

Permanently insured, per depositor, per bank, per ownership category. The family with \$900,000 at one bank in one name is the family this entry is written for.

FOOTNOTES

- 1 Orderly liquidation authority.** Title II lets the FDIC be appointed receiver of a failing systemically important financial company and wind it down outside bankruptcy. Losses are assigned to shareholders and unsecured creditors first – the mechanism people mean when they say 'bail-in'.
- 2 Where deposits sit in that order.** Insured deposits are paid by the FDIC. Domestic deposits, insured and uninsured, rank ahead of general unsecured creditors under the national depositor preference rule – but behind the administrative cost of the receivership itself.

PRIMARY RECORDS

Dodd-Frank Wall Street Reform and Consumer Protection Act – US Congress

<https://www.congress.gov/bill/111th-congress/house-bill/4173>

Orderly liquidation authority and the treatment of creditors – FDIC

<https://www.fdic.gov/resolutions/resolution-authority>

2009 – 2015

Quantitative easing normalises central-bank money creation

POLICY

 $\approx 5\times$

growth of the Fed balance sheet

WHAT HAPPENED

The Federal Reserve's balance sheet grew from under \$1 trillion to roughly \$4.5 trillion through successive rounds of bond buying, with interest rates held near zero for seven years.

WHY IT WAS DONE

To force credit into the economy and lift asset prices when rates were already at zero.

WHAT IT MEANT FOR SAVERS

Savers were charged, in effect, for saving: near-zero yields on the safe options pushed retirees into risk they would never have chosen. Asset owners gained; wage earners and savers did not.

PRIMARY RECORDS

Total assets of the Federal Reserve (WALCL) – Federal Reserve Bank of St. Louis (FRED)

<https://fred.stlouisfed.org/series/WALCL>

Credit and liquidity programs and the balance sheet – Federal Reserve Board

https://www.federalreserve.gov/monetarypolicy/bst_recenttrends.htm

MAR 2020

The COVID crash, and the fastest money creation in US history

CRASH

≈ +40%

US M2 money supply, 2020–22

WHAT HAPPENED

Equities fell about 34% in a month. In response, roughly \$5 trillion of fiscal support was authorised and the money supply (M2) expanded by about 40% in two years.

WHY IT WAS DONE

An economy deliberately shut down needed income replacement, and credit markets briefly stopped functioning.

WHAT IT MEANT FOR SAVERS

Inflation reached 9.1% by mid-2022 – the highest in four decades. That was not bad luck: dollars grew far faster than goods. Anyone holding cash paid for the rescue through prices.

PRIMARY RECORDS

M2 money stock, historical series – Federal Reserve Bank of St. Louis (FRED)

<https://fred.stlouisfed.org/series/M2SL>

CARES Act, Public Law 116-136 – US Congress

<https://www.congress.gov/bill/116th-congress/house-bill/748>

2022 - TODAY

The digital dollar era

The question is no longer only how many dollars exist, but what form they take, who can freeze them, and whether you hold an asset or a database entry.

7 dated entries in this era.



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MAY 24, 2018

The 2018 law that raised the threshold for stricter bank oversight

BANKING LAW

\$50B → \$250B

threshold for enhanced oversight

WHAT HAPPENED

The Economic Growth, Regulatory Relief, and Consumer Protection Act raised the asset threshold for automatic enhanced supervision of bank holding companies from \$50 billion to \$250 billion, with tailored treatment in between.

WHY IT WAS DONE

Supporters argued post-crisis rules written for global megabanks were being applied to regional and community lenders that had not caused the crisis.

WHAT IT MEANT FOR SAVERS

This is the most argued-about banking law of the last decade, and we present it as an argument rather than a verdict. Read both columns and the 2023 entry below, then decide.

WHAT CRITICS SAY

Senator Sanders and others hold that lighter supervision of large regional banks contributed directly to the 2023 failures, and have called for repeal.

WHAT SUPPORTERS SAY

Regulators retained discretion to apply tighter standards, and post-mortems also point to bank-specific interest-rate and concentration mismanagement plus supervisory execution.

FOOTNOTES

- \$50 billion to \$250 billion.** The Economic Growth, Regulatory Relief and Consumer Protection Act raised the asset threshold for enhanced prudential standards – stress testing, liquidity and capital planning – from \$50 billion to \$250 billion, removing several dozen banks from the strictest tier.

PRIMARY RECORDS

Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018 — US Congress

<https://www.congress.gov/bill/115th-congress/senate-bill/2155>

Statement on Silicon Valley Bank and the 2018 law — Office of Senator Bernie Sanders

<https://www.sanders.senate.gov/press-releases/news-sanders-statement-on-silicon-valley-bank/>

MAR 2023

Two large banks fail, and uninsured depositors are protected by decision

BANK FAILURE

\$250,000

what was actually guaranteed

WHAT HAPPENED

Silicon Valley Bank and Signature Bank failed within days, the second and third largest US bank failures at the time. A very large share of their deposits was above the insurance limit. Regulators invoked the systemic-risk exception and protected all depositors, insured and uninsured, funded by special assessments on the banking industry rather than an appropriation.

WHY IT WAS DONE

Officials judged that imposing losses on uninsured depositors would trigger runs at other regional banks.

WHAT IT MEANT FOR SAVERS

This is the single most useful modern case study on this page. If you hold \$2 million at one bank, 'FDIC insured' does not mean \$2 million is guaranteed. It means \$250,000 is. In March 2023 the rest was covered anyway – by an extraordinary decision that no depositor was entitled to and no one should plan around.

IF YOU HAD \$100,000 IN THE BANK

\$100,000 was never in question for a moment. That is the point: the insurance boundary did its job for ordinary savers, and everyone above it had to wait for a government judgment call.

FOOTNOTES

- 1 The uninsured share.** Roughly 94% of Silicon Valley Bank's deposits exceeded the \$250,000 insurance limit. That concentration, not the size of the bank alone, is what turned a bond-portfolio loss into a run.

- 2 **Systemic risk exception.** Uninsured depositors at SVB and Signature Bank were made whole only after the Treasury, the Federal Reserve and the FDIC invoked the systemic risk exception under the Federal Deposit Insurance Act. It is a discretionary decision by regulators, not a right a depositor holds.
- 3 **Held-to-maturity accounting.** Securities a bank intends to hold to maturity are carried at cost, not market value, so unrealised losses need not appear in reported capital – until deposits leave and the securities have to be sold.

PRIMARY RECORDS

Options for deposit insurance reform, including the 2023 failures – FDIC

<https://www.fdic.gov/analysis/options-deposit-insurance-reform>

Review of the supervision and regulation of Silicon Valley Bank – Federal Reserve Board

<https://www.federalreserve.gov/publications/review-of-the-federal-reserves-supervision-and-regulation-of-silicon-valley...>



2022 – 2026

Federal debt past \$4T, with interest now a top-line expense

POLICY

\$4T+

gross federal debt

WHAT HAPPENED

Gross federal debt has passed \$4T. Annual interest on that debt now rivals or exceeds national defense spending.

WHY IT WAS DONE

Successive deficits compounded at higher rates after the 2022 rate rise. No plan currently before Congress retires the principal.

WHAT IT MEANT FOR SAVERS

There are three ways out of a debt of that size: grow faster than the interest, default, or inflate the money it is owed in. History's overwhelming preference is the third, and inflation is a tax nobody has to vote for.

FOOTNOTES

- 1 **Debt held by the public vs total debt.** Treasury's 'Debt to the Penny' series reports total outstanding debt, which includes intragovernmental holdings such as trust funds. Debt held by the public – the figure economists usually compare to GDP – is the smaller number.

PRIMARY RECORDS

Debt to the penny – daily federal debt outstanding – US Treasury, Fiscal Service

<https://fiscaldata.treasury.gov/datasets/debt-to-the-penny/>

The budget and economic outlook (interest cost projections) – Congressional Budget Office

<https://www.cbo.gov/topics/budget>

JUL 18, 2025

The GENIUS Act brings dollar stablecoins into federal law

DIGITAL ERA

WHAT HAPPENED

The GENIUS Act established the first federal framework for payment stablecoins: licensed issuers, full reserve backing in cash and short-term Treasuries, monthly reserve disclosures, and priority for coin-holders in an issuer's insolvency.

WHY IT WAS DONE

Stablecoins had grown into a systemically relevant market with no federal rules. Regulation also creates a large new, captive buyer of short-term Treasury debt – which is useful when you must refinance \$41 trillion.

WHAT IT MEANT FOR SAVERS

A stablecoin dollar is a private issuer's liability, tokenised. It is more transparent than what came before and it is still a promise: it can be frozen at an address, it depends on the issuer's reserves, and holders are creditors, not owners. Convenience is real; counterparty risk does not disappear because the ledger is faster.

FOOTNOTES

- 1 **What a payment stablecoin issuer must hold.** The Act sets a federal framework requiring reserves backing payment stablecoins one-for-one in high-quality liquid assets such as short-dated Treasury bills, with disclosure and redemption obligations. A stablecoin balance is a claim on that issuer's reserves – not an insured deposit.

PRIMARY RECORDS

GENIUS Act – bill text and status – US Congress

<https://www.congress.gov/bill/119th-congress/senate-bill/1582>

Stablecoin market structure and reserve holdings – Bank for International Settlements

https://www.bis.org/publ/qtrpdf/r_qt2303e.htm

2025 – 2026

Tokenized funds, Treasuries and the programmable dollar

DIGITAL ERA

WHAT HAPPENED

Money-market funds, Treasuries and private credit are being issued as tokens on shared ledgers, with major asset managers and banks participating.

WHY IT WAS DONE

Settlement in seconds instead of days, around the clock, with collateral that can move automatically.

WHAT IT MEANT FOR SAVERS

Money that can be programmed can also be conditioned – on time, on identity, on permitted use. That is a genuine efficiency gain and a genuine new control surface. It is worth deciding now what share of your wealth you want outside any ledger someone else administers.

PRIMARY RECORDS

Tokenisation of finance – report – Bank for International Settlements

<https://www.bis.org/publ/othp84.htm>

Crypto-assets and tokenized markets: investor risks – US Securities and Exchange Commission

<https://www.sec.gov/investor/alerts>



ONGOING

Cyber, custody and quantum risk to digital holdings

DIGITAL ERA

WHAT HAPPENED

Exchange failures, custody collapses and record digital-asset fraud losses continue, while standards bodies push post-quantum cryptography migration ahead of a machine capable of breaking today's public-key encryption.

WHY IT WAS DONE

Digital bearer assets concentrate value in keys, and keys can be stolen, lost, subpoenaed or – eventually – computed.

WHAT IT MEANT FOR SAVERS

This is a scenario, not a forecast, and we say so plainly. It is also why an ounce in your name in an insured depository behaves differently from every digital holding: it has no password, no counterparty and no upgrade path to depend on.

PRIMARY RECORDS

Post-quantum cryptography standards – US National Institute of Standards and Technology

<https://csrc.nist.gov/projects/post-quantum-cryptography>

Internet crime report – investment and crypto fraud losses – FBI Internet Crime Complaint Center

<https://www.ic3.gov/AnnualReport/Reports>



1913 ✕ TODAY

The long arithmetic: what a 1913 dollar buys now

CURRENCY DEVALUATION

≈ 2–3¢

of a 1913 dollar remains

WHAT HAPPENED

By the government's own CPI series, a 1913 dollar retains roughly two to three cents of its original purchasing power. Over the same span, the \$20.67 that bought an ounce of gold in 1913 buys a small fraction of an ounce today.

WHY IT WAS DONE

Not one decision, but a century of them — each defensible in isolation, each diluting the unit a little further.

WHAT IT MEANT FOR SAVERS

The lesson is not that the dollar is about to vanish. It is that a currency is a measuring stick that gets shorter, and a family that stores its life's work exclusively in that stick will be measured out of a great deal without ever seeing a statement that says so.

FOOTNOTES

- 1 **How the CPI figure is built.** The comparison uses annual-average CPI-U (all urban consumers, 1982-84 = 100) published by the Bureau of Labor Statistics. It is a national average basket and will not match any single household's experience.

PRIMARY RECORDS

CPI inflation calculator, 1913–present — US Bureau of Labor Statistics

https://www.bls.gov/data/inflation_calculator.htm

Consumer Price Index, all urban consumers (CPIAUCSL) — Federal Reserve Bank of St. Louis (FRED)

<https://fred.stlouisfed.org/series/CPIAUCSL>

THE AMERICAN MONEY WARS, 1100 - 1913

Before the Fed: six centuries of honest ledgers, then a century of paper

The dollar did not begin in 1913. Before the Federal Reserve there was a six-hundred-year experiment in England with money that could not be counterfeited, a colonial rebellion fought partly over the right to issue currency, a civil war financed with paper that paid no interest, and a forty-year battle over whether silver was money at all.

This is the record of that earlier fight – dated, quoted from the men who were in the room, and sourced so you can check every line yourself.

12 dated entries in this part, each with its own sources.



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C. 1100 - 1834

The tally stick: six hundred years without a banknote

≈ 600 years

as England's ledger of record

WHAT HAPPENED

England ran its tax and debt records on split hazelwood sticks. Notches cut across the grain recorded the sum; the stick was then split lengthwise so payer and Exchequer each held half, and the two halves only matched if neither had been altered. The system served as England's primary record of government debt for roughly six centuries.

WHAT IT MEANT FOR SAVERS

A tally was a receipt for value already delivered, not a promise printed by a lender. No interest accrued on the stick itself, and no third party could expand the supply of notches.

PRIMARY RECORDS

The burning of Parliament – tally sticks, 1834 – UK Parliament

<https://www.parliament.uk/about/living-heritage/building/palace/architecture/palace-s-interiors/1834-fire/>

Exchequer tally sticks in the collection – The National Archives

<https://www.nationalarchives.gov.uk/>

1694

The Bank of England: money becomes a government debt

£75M → £150M

British national debt, 1756 – 1763

WHAT HAPPENED

A private syndicate lent King William III £1.2 million at 8% interest to fund the war against France, and in exchange received the right to issue banknotes against that debt. Money issued as an interest-bearing loan to the state became the template. During the Seven Years' War alone (1756–1763), the British national debt roughly doubled, from about £75 million to about £150 million.

WHAT IT MEANT FOR SAVERS

From this point forward in the English-speaking world, every new pound or dollar created as a loan carried a built-in claim on the public: the interest. That claim is still collected through taxes and through the dilution of the currency.

PRIMARY RECORDS

Our history — founding and national debt — Bank of England

<https://www.bankofengland.co.uk/about/history>

1690

Massachusetts prints the first colonial paper money

WHAT HAPPENED

Massachusetts Bay issued paper bills of credit to pay soldiers returning from a failed expedition against Quebec – the first government paper money in the Western colonies. Other colonies followed, issuing their own notes as a medium of exchange in an economy chronically short of coin.

WHAT IT MEANT FOR SAVERS

Colonial scrip worked while it was issued against real obligations and retired on schedule. The experiment ended not from internal failure but from London's veto – which is the next entry.

PRIMARY RECORDS

Historical currency exhibits – Federal Reserve Bank of Boston

<https://www.bostonfed.org/>

1764

The Currency Act: Parliament bans colonial money

WHAT HAPPENED

Parliament forbade the colonies from issuing paper money as legal tender and required taxes owed to the Crown to be paid in gold and silver. The result was a severe currency shortage in economies built on paper credit. Examined before the House of Commons in 1766, Benjamin Franklin directly linked colonial discontent to the loss of their paper currency.

WHAT IT MEANT FOR SAVERS

A money supply is not an abstraction — remove it and trade stops. Many historians rank the Currency Acts alongside the stamp and tea duties as a structural cause of the Revolution.

FROM THE RECORD

“The Colonies would gladly have borne the little tax on tea and other matters had it not been that England took away from the Colonies their money.”

— Attributed to Benjamin Franklin. The sentiment matches his sworn 1766 testimony to Parliament on the Currency Act; the exact wording circulates widely but its source is disputed, so we print it as attributed, not verified.

Attribution disputed — printed as attributed, not verified.

PRIMARY RECORDS

Franklin's examination before the House of Commons, 1766 — Founders Online / National Archives

<https://founders.archives.gov/>

1862

The greenbacks: money issued without a debt attached

\$450M

US Notes issued, 1862 – 1865

WHAT HAPPENED

With the Civil War to fund, Congress passed the Legal Tender Act of 1862 and the Treasury issued United States Notes – greenbacks – directly, as money rather than as bonds. About \$450 million were issued over the war years (roughly 8% of GDP). They paid no interest and owed nothing to any bank.

WHAT IT MEANT FOR SAVERS

The greenbacks proved a government can issue its own currency without routing it through private lenders at wartime rates. The fight over what happened to them next occupied American politics for forty years.

PRIMARY RECORDS

Legal Tender Act of 1862 – historical record – US Department of the Treasury

<https://home.treasury.gov/about/history>

1866

The Contraction Act: taking the money back

WHAT HAPPENED

Congress directed the Treasury to retire the greenbacks and shrink the money supply toward a gold-standard footing. Over the following decade the currency in circulation contracted while the post-war economy was trying to grow, contributing to the long deflation and the Panic of 1873.

WHAT IT MEANT FOR SAVERS

Deflation rewards creditors and crushes debtors — and most ordinary families in a growing economy are debtors. Shrinking the money supply by statute transferred real wealth the same quiet way inflation does, in reverse.

PRIMARY RECORDS

Panic of 1873 — Federal Reserve History

<https://www.federalreservehistory.org/essays/panic-of-1873>

1873

The Coinage Act of 1873: silver loses its legal standing

WHAT HAPPENED

The act revised US coinage law and omitted the standard silver dollar, ending the right of anyone to bring silver to the mint and have it coined into money at the statutory ratio. Silver interests named it the 'Crime of '73.' That same year, a financial panic began a depression that lasted most of the decade.

WHAT IT MEANT FOR SAVERS

For the century before 1873, both metals were money by law. After it, silver holders held a commodity, and the country was placed on a gold-only track it formally adopted in 1900.

PRIMARY RECORDS

Coinage Act of 1873 and the end of the silver dollar — United States Mint

<https://www.usmint.gov/learn/history>

1878

Bland-Allison: Congress orders the silver back

22.5M

Morgan dollars struck in 1878

WHAT HAPPENED

Over President Hayes's veto, the Bland-Allison Act required the Treasury to buy \$2 to \$4 million of silver every month and coin it into dollars. The Morgan dollar — the coin in many of our clients' hands today — exists because of this act. Some 22.5 million were struck in its first year.

WHAT IT MEANT FOR SAVERS

The people's branch of government forced silver back into the money supply against the executive's objection — proof that what is money has always been a political fight, not a technical one.

PRIMARY RECORDS

Morgan dollar history — United States Mint

<https://www.usmint.gov/coins/coin-medal-programs/morgan-dollar>

1890

The Sherman Silver Purchase Act — and its 1893 repeal

4.5M oz

required monthly Treasury silver purchases

WHAT HAPPENED

The act nearly doubled required Treasury silver purchases to 4.5 million ounces per month. When the Panic of 1893 hit and gold drained from the Treasury, Congress repealed it in a special session — the decisive defeat of the silver movement.

WHAT IT MEANT FOR SAVERS

Silver's monetary role was legislated away in a crisis, in a hurry — the same pattern as 1933 and 1971. Families holding silver dollars watched the metal's official support vanish while the coins themselves still held their silver.

PRIMARY RECORDS

Panic of 1893 — Federal Reserve History

<https://www.federalreservehistory.org/essays/panic-of-1893>

1896

The Cross of Gold: the silver case, in one sentence

WHAT HAPPENED

At the 1896 Democratic convention, William Jennings Bryan argued for restoring silver as money at the statutory 16-to-1 ratio against gold. The speech won him the nomination; the election went to the gold standard, and the Gold Standard Act of 1900 made it law.

WHAT IT MEANT FOR SAVERS

The losing side of this argument was not wrong that ordinary people needed a money that could not be cornered. The question never went away — it resurfaced in 1933, 1965, and 1971.

FROM THE RECORD

“You shall not press down upon the brow of labor this crown of thorns; you shall not crucify mankind upon a cross of gold.”

— William Jennings Bryan, Democratic National Convention, July 9, 1896.

PRIMARY RECORDS

Bryan's Cross of Gold speech, 1896 — US National Archives

<https://www.archives.gov/>

1910

Jekyll Island: the plan written in secret

WHAT HAPPENED

Six men — representing banks that by one contemporary estimate held a quarter of the world's wealth — met in secret on Jekyll Island, Georgia, travelling under first names only, and drafted the framework of what became the Federal Reserve Act. Frank Vanderlip of National City Bank described the secrecy in his own memoir two decades later.

WHAT IT MEANT FOR SAVERS

The architecture of the modern dollar was designed by the institutions it would govern. That is not an accusation; it is the participants' own published account.

FROM THE RECORD

“I was as secretive — indeed, as furtive — as any conspirator. Discovery, we knew, simply must not happen, or else all our time and effort would be wasted.”

— Frank A. Vanderlip, 'From Farm Boy to Financier' (1935).

PRIMARY RECORDS

The meeting at Jekyll Island — Federal Reserve History

<https://www.federalreservehistory.org/essays/jekyll-island-conference>

1929 - 1933

Nine thousand bank failures

≈ 9,000

US bank failures, 1929 - 1933

WHAT HAPPENED

Between the crash and the 1933 banking holiday, roughly 9,000 US banks failed — about four in ten of the banks in the country. The central bank created in 1913 specifically to prevent banking panics did not prevent this one.

WHAT IT MEANT FOR SAVERS

Depositors in failed banks lost their savings outright; there was no deposit insurance until 1934. A generation learned that a bank balance is an unsecured promise — and bought mattresses, gold coins, and later silver dollars instead.

PRIMARY RECORDS

The first fifty years: a history of the FDIC 1933–1983 — FDIC

<https://www.fdic.gov/bank-historical-first-fifty-years>

THE SILVER ARC

An ounce of silver for a day's work

For most of recorded history, silver was the working person's money. A Roman legionary was paid a denarius — roughly a seventh of an ounce of silver — per day. When Jesus tells the parable of the vineyard workers, the agreed wage is a denarius a day; the audience knew exactly what an honest day's pay weighed.

From the Coinage Act of 1873 to 1965, the United States fought over, restricted, and finally removed silver from its coinage. The legal gold-to-silver ratio held near 15 or 16 to 1 for centuries because that is roughly how the two metals occur and are mined; the USGS estimates silver is mined today at only about 8 ounces for every ounce of gold, while the market price ratio has spent recent years near 100 to 1.

We do not claim to know what silver 'should' cost, and we are sceptical of anyone who does. We teach the measurement because the gap between the geological ratio, the historical monetary ratio, and the modern price ratio is one of the most telling numbers in the entire record — and because our clients deserve to have seen it before they decide what to hold.

1 denarius	15–16 : 1	≈ 8 : 1	≈ 100 : 1
a day's wage, Rome and Matthew 20	legal gold-to-silver ratio for centuries	ounces mined, silver to gold (USGS)	market price ratio, recent years

AN HONEST DAY'S WAGE — MATTHEW 20:2

The 'penny' of the King James translation is the Roman denarius — a silver coin of about a seventh of an ounce, the standard daily wage. The parable's audience measured a day's work in metal, not in digits.

PRIMARY RECORDS

Mineral Commodity Summaries — silver and gold — US Geological Survey

<https://www.usgs.gov/centers/national-minerals-information-center>

Matthew 20:1–16, KJV — a denarius a day — Bible Gateway (KJV)

<https://www.biblegateway.com/passage/?search=Matthew+20&version=KJV>

PART TWO

Your money is safe. Safe from what?

Ask most families whether their savings are safe and they will say yes, because the money is in a bank and the bank is insured. Both halves of that sentence are true. The question nobody asks is the one that matters. A bank account is not a vault holding your particular dollars; it is a liability of the bank, a legal claim on a company. Insurance stands behind that claim up to a limit, in defined categories, and says nothing at all about what the dollars inside it will buy.



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THE HEADLINE FIGURES

Four numbers worth knowing by heart

\$250,000**Basic insurance limit**

Per depositor, per insured bank, for each ownership category.
Dodd-Frank made the \$250,000 limit permanent in 2010.

Source: FDIC — <https://www.fdic.gov/resources/deposit-insurance/deposit-insura...>

1.43%**Deposit Insurance Fund reserve ratio**

The fund's balance measured against insured deposits, as reported for the first quarter of 2026. It is an insurance fund, not a dollar-for-dollar vault.

Source: FDIC — <https://www.fdic.gov/resources/deposit-insurance/deposit-insura...>

2.00%**Designated reserve ratio for 2026**

The FDIC's own target. The fund sat below its statutory minimum for several years before recovering above it in 2025.

Source: FDIC — <https://www.fdic.gov/resources/deposit-insurance/deposit-insura...>

Next business day**Typical access for insured depositors**

In a normal resolution a failed bank is closed on a Friday and reopens under an acquiring institution, with insured depositors regaining access. Receivership and uninsured claims can take far longer.

Source: FDIC — <https://www.fdic.gov/bank-failures/managing-crisis>

ONE CLARIFICATION, STATED PLAINLY

The insurance fund is not a pile of cash equal to every insured dollar in America. It is an insurance and resolution system funded by assessments on insured banks, with statutory authority behind it. That is not a scandal — it is how insurance works — but it is the sort of thing a saver should know before deciding how much of a life's work to keep in one place.

COVERAGE

What deposit insurance covers, and what it does not

WHERE THE MONEY SITS	STATUS	IF THE BANK FAILS
Deposit at or under the applicable FDIC limit	Insured	Generally insured and generally available within days.
Deposit above the applicable limit	Limited	The excess becomes a claim in the receivership. It may be paid in part, in full, or late, depending on recoveries.
Cash in a safe deposit box	Not insured	Not a deposit and not FDIC-insured. Access also depends on the box being reopened.
Gold, silver or documents in a safe deposit box	Not insured	Not FDIC-insured, and generally not insured by the bank either. Private insurance is the depositor's responsibility.
Securities held in custody at a broker-dealer	Limited	A different regime entirely — customer assets are meant to be segregated, with SIPC covering certain broker failures, not market losses.
Money-market fund shares	Not insured	Not FDIC-insured. Value depends on the underlying securities.
Payment stablecoin balance	Not insured	Not FDIC-insured. You are a creditor of the issuer, and the coin depends on the issuer's reserves and the ledger's operators.
Allocated metal in your name at an insured depository	Not insured	Not a bank deposit and not FDIC-insured. It is your property held in custody, insured under the depository's policy, and outside the bank's balance sheet.

MECHANISMS

Six ways money in a bank can become unavailable

Six different legal mechanisms with six different sets of rules. They get lumped together as “the bank took my money,” which is exactly why people cannot tell the real risks from the imaginary ones.

- 1 **The bank fails and your balance exceeds the limit.** Insured money is generally made available quickly. The amount above the limit becomes an unsecured claim on the receivership, recovered as assets are sold. Sometimes that is most of it. Sometimes it is not.
- 2 **Setoff against a debt you owe the same bank.** Account agreements and state law commonly allow a bank to apply your deposit against a loan you owe it. Nothing is stolen and nothing is illegal; the same institution simply holds both sides.
- 3 **A levy, garnishment or court order.** A tax levy, judgment, child-support order or court freeze reaches the account directly. Insurance is irrelevant here — the money is available, but not to you.
- 4 **Fraud, account takeover or a mistaken transfer.** Different rules apply to consumer electronic transfers, wires and business accounts, and the timing of your report matters enormously. Wires, in particular, are hard to claw back.
- 5 **Dormancy and escheat.** An account left untouched long enough is reported and transferred to the state as unclaimed property. It is recoverable, but only by someone who knows it exists — which is an estate problem as much as a banking one.
- 6 **Resolution of a large financial company.** Under the Dodd-Frank orderly-liquidation framework, losses at a failing systemically important firm are meant to fall on shareholders and certain creditors — a bail-in — rather than on taxpayers. Where your claim ranks decides what that means for you.

THE ORDER OF PAYMENT

Where your claim ranks when a bank is wound down

Simplified, and worth reading once in your life. In a receivership the money recovered from selling the bank is paid out in order. Insured depositors are made whole by the insurer; uninsured depositors wait in line.

RANK	WHO IS PAID	NOTE
1	Administrative costs of the receivership	The cost of winding the institution down is paid first.
2	Insured deposits (the FDIC, standing in your shoes)	The FDIC pays insured depositors and takes their place in the queue.
3	Other deposit liabilities, including uninsured deposits	Domestic deposits, insured and uninsured, sit ahead of general creditors.
4	General unsecured creditors	Trade creditors and most senior unsecured debt.
5	Subordinated debt	Paid only if everything above it is satisfied.
6	Shareholders	Usually wiped out. Equity is the first loss, by design.

COMPARISON

The risk you are accepting, wherever you keep it

This table does not tell you what to buy. There is no risk-free option on it, including ours. It names the counterparty, the protection and the main exposure in each place, because “safe” is meaningless until you finish the sentence.

WHERE IT SITS	COUNTERPARTY	INSURANCE	LIQUIDITY	MAIN RISK
Bank deposit	The bank	FDIC, within limits and categories	Immediate	Purchasing power, plus anything above the limit
Treasury security	The US government	None — not FDIC	High	Interest-rate loss if sold early; inflation over time
Money-market fund	The fund and its holdings	None	Generally high	Value and gating risk in stressed markets
Payment stablecoin	The issuer and the ledger	None	Continuous	Issuer reserves, freezing at an address, operational failure
Allocated physical metal	None for the metal itself	Depository policy, not FDIC	High, with a dealer spread	Price volatility, storage and the spread when you sell



HONESTY

Two things we refuse to tell you

We will not tell you the FDIC is decades behind on paying insured depositors. We could not substantiate it, and the FDIC's own record describes insured depositors regaining access when the acquiring bank opens. The real issue is narrower and far more useful: how much of your money sits inside the insurance boundary at all.

We will not tell you that deposit insurance is worthless or that a bank run is imminent. Insurance is real, it works, and it stopped a century-old pattern of depositor losses. It is also limited, categorical, and silent on inflation — and those limits are the part almost nobody reads.

“A false balance is abomination to the Lord: but a just weight is his delight.”

PROVERBS 11:1

PRIMARY RECORDS

Deposit insurance: what is and is not covered — FDIC

<https://www.fdic.gov/resources/deposit-insurance/>

Safe deposit boxes are not insured deposits — FDIC Consumer News

<https://www.fdic.gov/consumer-resource-center/2021-11/safe-deposit-boxes>

Bank failures in brief, and the resolution process — FDIC

<https://www.fdic.gov/bank-failures/bank-failures-brief>

Orderly liquidation authority and bail-in — FDIC

<https://www.fdic.gov/resolutions/resolution-authority>

Unclaimed property and escheatment of dormant accounts — FDIC Consumer News

<https://www.fdic.gov/consumer-resource-center/>

PART THREE

The arithmetic of purchasing power

The quietest loss of all. Nothing fails, nobody is charged, and the same balance simply buys less each year. Run it yourself with the numbers on the facing pages, or use the live calculator on the education page.

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REFERENCE TABLE

Anchor years, CPI and the gold price

CPI-U values are annual averages (1982-84 = 100) published by the Bureau of Labor Statistics. Gold prices are approximate annual averages, rounded, using the official price where one was fixed by law. The reference figures for 2026 are a CPI of 330 and \$3,300 an ounce.

YEAR	CPI-U	GOLD \$/OZ	WHY THIS DATE IS ON THE LIST
1913	9.9	\$20.67	The Federal Reserve Act is signed.
1929	17.1	\$20.67	The market peaks, then falls 89%.
1933	12.9	\$20.67	Private gold ownership is outlawed.
1934	13.4	\$35	The dollar is devalued to \$35 an ounce.
1944	17.6	\$35	Bretton Woods makes the dollar the anchor.
1971	40.5	\$41	Gold convertibility ends.
1980	82.4	\$615	Inflation peaks at 14.8%.
1985	107.6	\$317	The Plaza Accord devalues the dollar.
2000	172.2	\$279	The dot-com bubble breaks.
2008	215.3	\$872	The global financial crisis.
2020	258.8	\$1,770	Money supply expands roughly 40%.

METHOD

How each figure is calculated

Inflation adjustment

today's dollars = amount x (CPI today / CPI in the base year)

We use annual-average CPI-U (all urban consumers, 1982-84 = 100) as published by the US Bureau of Labor Statistics. The reference figure for 2026 is 330.

Purchasing power retained

retained = CPI in the base year / CPI today

This is the share of the original purchasing power an unchanged pile of cash still holds. It is the same arithmetic run backwards, not a separate estimate.

The gold comparison

ounces = amount / gold price in the base year, then ounces x gold price today

Gold prices are approximate annual averages, rounded, using the official price where one was fixed by law (\$20.67 to 1933, \$35 to 1971) and market annual averages afterwards. The reference figure for 2026 is \$3,300 an ounce.

Assumptions, stated in full

- ◆ CPI-U is a national average basket. It does not match any single household, and it does not capture regional cost differences, taxes or lifestyle changes.
- ◆ Annual averages are used throughout, so a figure will not match a specific day's price or a month's CPI print.
- ◆ The gold comparison assumes the metal was bought at the annual average, held with no premium, no storage cost and no sale, and is valued at the current reference price.
- ◆ No income, interest, dividends or reinvestment is assumed on the cash side. Cash left in an interest-bearing account would have done better than the plain 'still buys' figure.
- ◆ Reference figures for the current year are rounded estimates and are updated periodically. Nothing here is a forecast.

PRIMARY RECORDS

CPI-U all-items annual averages, 1913-present — US Bureau of Labor Statistics

<https://www.bls.gov/cpi/tables/supplemental-files/home.htm>

CPI-U series (CPIAUCSL) and inflation calculators — Federal Reserve Bank of St. Louis (FRED)

<https://fred.stlouisfed.org/series/CPIAUCSL>

Historical gold price series, 1833-present — Federal Reserve Bank of St. Louis (FRED)

<https://fred.stlouisfed.org/series/M1381AUSM384NNBR>

Annual and monthly gold price statistics — World Gold Council

<https://www.gold.org/goldhub/data/gold-prices>

Gold Reserve Act of 1934 and the official \$35 price — Federal Reserve History

<https://www.federalreservehistory.org/essays/gold-reserve-act>



PART FOUR

They kept what they were given — and it is still there

Set aside, for a moment, what you think of any of these institutions. Look only at the method, the way you would study a competitor's balance sheet. Over the last thousand years, the organisations that held on to purchasing power the longest were not the ones with the cleverest traders. They were the ones that believed they were holding something on behalf of someone else, and behaved accordingly.



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INSTITUTIONS THAT OUTLIVED THEIR CURRENCIES

Method, not doctrine

The pattern repeats with almost no variation. Income arrives as a gift — a tithe, an offering, a bequest, an endowment. It is not spent, and it is not left sitting in the currency of the day. It is converted into things that exist: land, buildings, farmland, water rights, art, libraries, metal. Those things are then maintained, insured, catalogued and improved, generation after generation, by people who expect to be accountable for them.

Currencies came and went underneath that method. The papal scudo, the lira, the florin, the mark, the reichsmark, the pound of 1300 and the pound of today — all redefined, replaced or debased. The vineyard, the wheat land, the gold chalice and the marble gallery did not care. That is not a spiritual claim. It is what happens to an asset with no counterparty when the unit of account is rewritten around it.

None of this makes any of these institutions holy, competent or above criticism, and several of them have humiliating financial failures on the record — we print those too, further down. The point is narrower and far more useful to a family: stewardship, practised as a discipline rather than a mood, measurably preserves wealth across time, and almost nobody is taught how it is done.



THE DISCIPLINE

Six habits every surviving endowment shares

- 1 **Keep the corpus. Spend the yield..** The defining rule of every surviving endowment: the gift itself is not available for spending. Only what it produces — rent, harvest, interest, admission fees — may be used, and often only a fixed percentage of it. A household version is simple to state and hard to do: the seed is not the grocery money.
- 2 **Convert income into things that exist..** Offerings arrive as currency and are converted, deliberately and quickly, into land, buildings, farmland, art and metal. Not because currency is evil, but because a promise denominated in a unit somebody else controls is not a store of value across two hundred years. Real property has been the default holding of long-horizon institutions for a thousand years.
- 3 **Maintain and improve what you hold..** Roofs, restorations, irrigation, conservation, cataloguing. Long-lived institutions spend continuously on upkeep, which is why their assets appreciate rather than rot. Deferred maintenance is the most common way an inheritance is quietly consumed without a single sale.
- 4 **Diversify across kinds, not just names..** Land in different regions, buildings with different uses, farmland, financial assets, precious metal and art. Not eight versions of the same risk. Ecclesiastes puts the same instruction in one line: give a portion to seven, and also to eight, for you do not know what evil shall be upon the earth.
- 5 **Write it down, and let someone check it..** Cartularies, inventories, chapter accounts, audited statements. The oldest continuously kept financial records in Europe are ecclesiastical, and where the record-keeping collapsed, so did the assets. Transparency is not a modern compliance chore; it is how a steward proves he did not treat the trust as his own.
- 6 **Hold a horizon nobody in the room will live to see..** Decisions are made for the institution in two hundred years, which rules out most of what wrecks portfolios: chasing a hot market, panic selling, and borrowing against an asset to buy a fashionable one. Proverbs frames the same horizon domestically — a good man leaves an inheritance to his children's children.

C. 4TH CENTURY – PRESENT

The Holy See — the Patrimony of the Apostolic See

5,000+ properties

APSA's first public balance sheet (for 2020, released July 2021) disclosed 4,051 properties in Italy and about 1,120 abroad, the majority let or used for institutional purposes

WHAT CAME IN

Land grants, bequests, tithes and offerings across sixteen centuries, plus Peter's Pence — small donations from parishes worldwide — and, in 1929, a large cash-and-bonds settlement from the Italian state under the Lateran Treaty.

WHAT IT WAS HELD AS

Almost none of it stayed as currency. It became real property and durable objects: churches, palaces, apartment blocks, agricultural land, libraries, archives and one of the most valuable art and antiquities collections ever assembled, begun in 1506 and never liquidated.

THE DISCIPLINE BEHIND IT

The office that runs it, the Administration of the Patrimony of the Apostolic See, exists to administer property rather than trade it — patrimony is the operative word. After 1929, the cash settlement was deliberately converted out of lire into a diversified portfolio of real estate, equities and gold rather than held as Italian currency. The lira later lost effectively all of its purchasing power; the buildings did not.

THE OTHER SIDE OF THE LEDGER

The same institution has also produced modern financial disasters. The 2019 London property affair — a €350 million investment in a Chelsea building funded partly from donations — ended in a Vatican criminal trial and convictions in 2023, including of a cardinal. Long horizons do not immunise anyone against bad judgement, opacity or fraud, and the lesson runs both ways: real assets held plainly, audited and reported, survive; leveraged deals arranged quietly do not.

PRIMARY RECORDS

Vatican reveals property holdings for first time in transparency drive (2021) — Reuters

<https://www.reuters.com/world/europe/vatican-reveals-property-holdings-first-time-transparency-drive-2021-07-24/>

APSA publishes its balance sheet — summary of the 2020 accounts — Vatican News / Administration of the Patrimony of the Apostolic See

<https://www.vaticannews.va/en/vatican-city/news/2021-07/challenges-in-time-of-pandemic-apsa-publishes-its-balance-sheet>

Lateran Treaty of 1929 — financial convention with the Kingdom of Italy — Encyclopaedia Britannica

<https://www.britannica.com/event/Lateran-Treaty>

Vatican court convicts cardinal in London property finance trial (2023) — Associated Press

<https://apnews.com/>

C. 529 - PRESENT

Monastic houses — the Benedictine and Cistercian estates

Nearly 1,000 years

Cistercian and Benedictine houses compounded landholdings from the 6th to the 16th century; their cartularies and account rolls are among the oldest continuous financial records in Europe

WHAT CAME IN

Land given by families for prayer and burial rights, and the labour of the community itself under a rule that treated work as worship.

WHAT IT WAS HELD AS

Working productive assets: arable land, vineyards, fish ponds, mills, granaries, flocks, and later libraries and schools. Surplus was stored as grain, wine, metalwork and building — assets that fed people in a famine and could not be inflated away.

THE DISCIPLINE BEHIND IT

Consumption was capped by rule, not by preference, so almost all surplus was reinvested in productive capacity — drainage, clearing, better stock, better buildings. That is the mechanism behind a millennium of compounding, and it required no financial market at all.

THE OTHER SIDE OF THE LEDGER

It ended by confiscation, not by mismanagement. The Dissolution of the Monasteries in England (1536–1541) transferred the entire estate to the Crown and its buyers. No amount of prudence protects an asset from a sovereign who decides to take it — which is precisely why concentration in any single jurisdiction is its own risk.

PRIMARY RECORDS

Dissolution of the Monasteries, 1536–1541 — Encyclopaedia Britannica

<https://www.britannica.com/event/dissolution-of-the-monasteries>

The Rule of St Benedict — on property, labour and stewardship — Internet Archive / public domain translation

<https://archive.org/>

C. 8TH CENTURY - PRESENT

The Islamic waqf — perpetual charitable endowment

Inalienable by deed

Waqf law removes the asset from the market permanently; some Ottoman-era endowments funded their stated charity continuously for centuries and remain administered today

WHAT CAME IN

Property irrevocably dedicated by a donor: land, shops, bathhouses, orchards, whole city blocks.

WHAT IT WAS HELD AS

The endowed asset itself, in perpetuity. A waqf deed classically makes the corpus inalienable — it cannot be sold, gifted or inherited — while its revenue funds a named purpose such as a hospital, school, well or kitchen.

THE DISCIPLINE BEHIND IT

The structure does the work: because the corpus legally cannot be sold, no future trustee's bad year can consume it. It is the oldest large-scale answer to the hardest problem in stewardship — protecting a gift from the people who come after you.

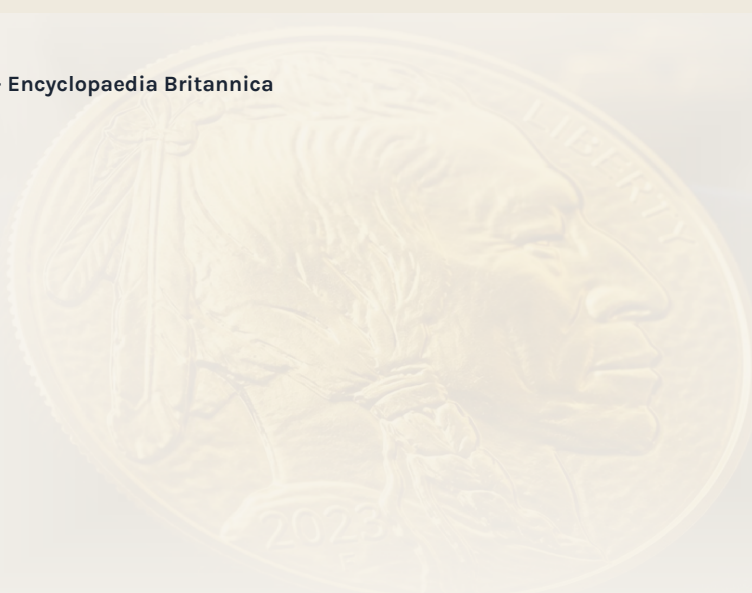
THE OTHER SIDE OF THE LEDGER

Rigidity has a cost. Assets frozen by deed could not be repurposed when cities and economies changed, and many waqf properties decayed or were absorbed by states in the modern period. Perpetuity without a maintenance income is a slow way to lose something.

PRIMARY RECORDS

Waqf — definition, history and legal structure — Encyclopaedia Britannica

<https://www.britannica.com/topic/waqf>



1704 / 1948 - PRESENT

The Church Commissioners for England

£10bn+ endowment

The Commissioners' published annual reports show an endowment fund of roughly ten billion pounds, with a distribution policy set as a percentage of the fund rather than by need

WHAT CAME IN

Historic endowment assets of the Church of England, consolidated into a single managed fund.

WHAT IT WAS HELD AS

A deliberately mixed portfolio: agricultural and commercial land, residential and strategic property, timberland, equities and infrastructure — reported annually in audited accounts.

THE DISCIPLINE BEHIND IT

Spending is governed by a formal rule — a set share of the fund, smoothed — so a good year does not license overspending and a bad year does not force a fire sale. Ethical exclusions are published, which forces the trade-offs into daylight.

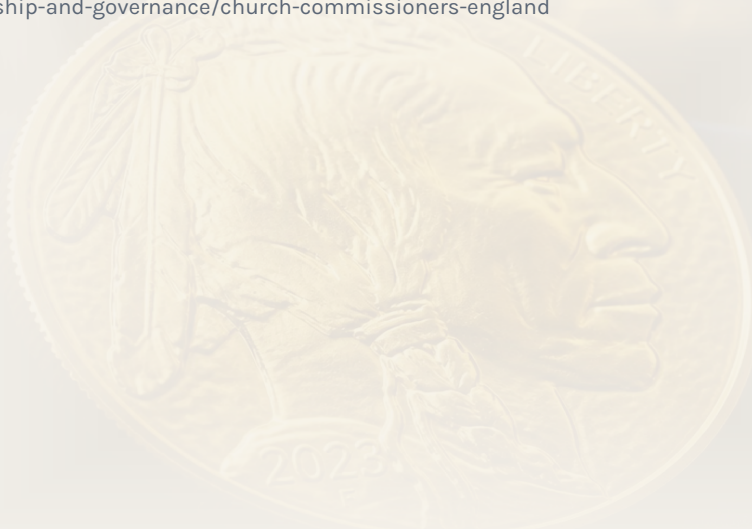
THE OTHER SIDE OF THE LEDGER

Its record includes a serious loss: an over-leveraged 1980s commercial property strategy cost the fund hundreds of millions of pounds by the early 1990s and prompted governance reform. Debt against real assets converts a durable holding into a fragile one.

PRIMARY RECORDS

Church Commissioners for England — annual report and accounts — The Church of England

<https://www.churchofengland.org/about/leadership-and-governance/church-commissioners-england>



1636 - PRESENT

The old university endowments

~5% annual draw

Large American university endowments typically distribute roughly four to six per cent of a smoothed fund value per year, which is why a 17th-century gift still pays salaries today

WHAT CAME IN

Bequests and gifts, frequently modest at the time – a farm, a library, a few hundred pounds.

WHAT IT WAS HELD AS

Permanent funds invested across real assets, private holdings, timberland, farmland and securities, with only a small annual draw permitted.

THE DISCIPLINE BEHIND IT

The arithmetic is the whole lesson: hold real assets, take out less than they produce, keep going for four hundred years. Nothing exotic is required – only the refusal to spend the corpus.

THE OTHER SIDE OF THE LEDGER

Endowment reporting is not a promise of returns, and the largest funds have taken heavy paper losses in market crises. Long horizons let an institution ride out those years; a household with a five-year horizon cannot copy the risk budget of a four-hundred-year one, and should not try.

PRIMARY RECORDS

Harvard University annual financial report – Harvard University

<https://finance.harvard.edu/annual-report>

NACUBO-Commonfund Study of Endowments – spending rates – National Association of College and University Business Officers

<https://www.nacubo.org/research/nacubo-commonfund-study-of-endowments>

THE LANDOWNER AND THE THREE MANAGERS

The man who buried it was not called cautious. He was called wicked.

A landowner going abroad hands three managers real capital – five talents, two and one – and leaves. A talent was not pocket money; it was on the order of years of a labourer's wages. He gives no instructions, sets no strategy and names no benchmark. He simply expects that what he owns will be worked while he is gone.



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THE LANDOWNER AND THE THREE MANAGERS

Doing nothing is a decision, and it is judged as one

Two of them put it at risk in the market and double it. The third digs a hole. When the master returns, the third manager explains himself honestly: he was afraid, he knew the master was shrewd, and he did not want to lose what was not his. He hands back exactly what he was given — nothing lost, nothing gained.

The reply is the part almost nobody quotes. The master does not say, that is all right, you were frightened. He calls him wicked and slothful, and then names the floor: at the very least the money should have been put with the exchangers so that it would have earned interest. That is the bare minimum in the text — not a doubling, not a clever trade, but a refusal to let entrusted capital sit dead in the ground.

Notice what the fear actually was. Not that the market was dangerous, but that other people were shrewd and he was not, so he chose not to learn. He hid the capital to avoid having to understand it. The judgement falls on the passivity, not on the size of the return.

Read that against a modern household holding its entire life's work in one currency, in one institution, in instruments nobody at the kitchen table can explain. It looks like caution. Structurally it is the hole in the ground: a single unexamined position, unchanged for decades, quietly losing purchasing power while everyone congratulates themselves on not taking risks.

This is not a licence to gamble, and nothing here suggests speculating with money you need. Risk in the parable is not thrill-seeking; it is engagement — learning how the money works, being willing to change position when the facts change, and accepting that doing nothing is itself a decision that will be judged as one.

“Thou wicked and slothful servant... thou oughtest therefore to have put my money to the exchangers, and then at my coming I should have received mine own with usury.”

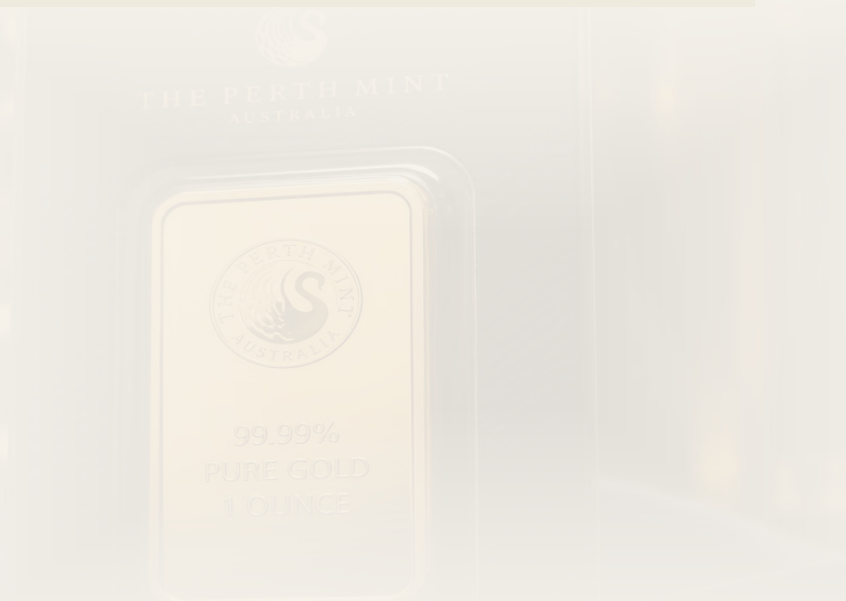
MATTHEW 25:26-27, KJV

The bare minimum, stated plainly

- ☐ Know what you actually hold, in what currency, and who has to keep a promise for it to be worth anything.
- ☐ Own something with no counterparty – the equivalent of the asset that is still there when the unit of account is rewritten.
- ☐ Be able to explain every position you hold, in your own words, to your spouse and your adult children.
- ☐ Review the position when the facts change. Refusing to look is the one behaviour the parable condemns outright.
- ☐ Give from what you preserved. Generosity is the first thing to be cut in a household that quietly lost a third of its purchasing power.

WHERE WE DRAW THE LINE

This is a study of method, not an endorsement. We are a metals dealer and a fiduciary advisory firm, not a church, and nothing here is a statement about any institution's doctrine, history or conduct beyond the financial record cited. Institutions with four-hundred-year horizons can hold illiquid assets through decades of loss. A household cannot. Copy the discipline – keep the corpus, own real things, maintain them, diversify by kind – not the risk budget. Every failure listed above involved leverage, opacity or concentration in one jurisdiction. Those three are the recurring ways real assets are lost, and they are avoidable. Past preservation of purchasing power is not a forecast. Metals can and do fall in price, and we say so everywhere on this site.



PART FIVE

Study material

Print this section. It is designed to be written on, taken to a bank, a custodian or a family conversation, and used to check what you actually know against what you assumed.

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CHECKLIST ONE

Where does my money actually sit?

- ☐ List every institution holding money in your name, and the balance at each.
- ☐ For each balance, write down the ownership category — single, joint, revocable trust, retirement — because the \$250,000 limit applies per category, not per person.
- ☐ Mark any balance above the insured limit at a single institution.
- ☐ Identify anything held at a bank that is NOT a deposit: securities, mutual funds, annuities, safe deposit box contents.
- ☐ Write down, for each holding, who the counterparty is — the bank, an issuer, a fund, a government, or nobody at all.
- ☐ Note what you would do if any one institution were closed for a week.

Notes



CHECKLIST TWO

Questions to ask any institution holding your money

- ☐ Is this balance a deposit, or a product sold through the bank? Say it in writing.
- ☐ Which ownership categories apply to my accounts, and what is my total insured amount across them?
- ☐ What happens to a balance above the limit if this institution fails?
- ☐ Are the contents of my safe deposit box insured by anyone — the bank, the FDIC, or my own policy?
- ☐ For a custodian or depository: is my metal allocated and titled in my name, or a pooled claim?
- ☐ For a depository: what is the insurance policy, who underwrites it, and what is the coverage limit?
- ☐ What fee schedule applies, in full, including storage, transfer and liquidation?
- ☐ How long does it take to get my property back, and what does that cost?

Notes



SELF-TEST

Ten questions from the timeline

1. What did the Coinage Act of 1792 define a dollar as?

2. What did Executive Order 6102 require, and at what price?

3. By how much did the Gold Reserve Act of 1934 reprice gold?

4. What ended on August 15, 1971, and why?

5. What did the Banking Act of 1933 create, and what did it separate?

6. What did the Gramm-Leach-Bliley Act repeal — and what did it leave in place?

7. What did the S&L crisis cost, and who paid it?

8. What does Title II of Dodd-Frank allow the FDIC to do?

9. What share of Silicon Valley Bank's deposits were uninsured in March 2023?

10. What must a payment stablecoin issuer hold in reserve under the GENIUS Act?

Every answer is in Part One of this guide, and on the education page with its sources attached. If a question cannot be answered from a public record, we should not be asking it of you.

WHY ANY OF THIS MATTERS

The one time he was angry, it was about money



“And when he had made a scourge of small cords, he drove them all out of the temple... and poured out the changers' money, and overthrew the tables; and said unto them, Take these things hence; make not my Father's house an house of merchandise.”

JOHN 2:15-16 (KJV)

Tables over, coins rolling across stone, scales and weights scattered. In a moment nobody could tell whose money was whose. The men who ran the exchange had built a quiet business on spread and weight in the one place set apart for prayer, and the accounting of it was destroyed in about thirty seconds.

He was not against commerce; he told parables about talents, wages, interest and investment without a hint of embarrassment. What provoked him was a rigged scale dressed up as worship. If God cares that much about how money is weighed and exchanged, then understanding how the money itself has been redefined is not a hobby for pessimists. It is stewardship — and it is the whole reason this guide cites a statute for every claim.

APPENDIX

Common questions

What was the Crime of 1873?

The Coinage Act of 1873 omitted the standard silver dollar from US coinage law, ending the right to have silver coined into money at the statutory ratio. Silver interests named it the 'Crime of '73.' Congress partially restored silver purchases with the Bland-Allison Act of 1878 — the act that created the Morgan dollar — and expanded them with the Sherman Silver Purchase Act of 1890, repealed in the Panic of 1893. The gold-only system was formalised in 1900.

What is the historical gold-to-silver ratio?

For centuries the legal and market ratio held near 15 or 16 ounces of silver per ounce of gold — roughly how the metals occur and are mined. The USGS estimates silver is mined today at about 8 ounces per ounce of gold, while the market price ratio has spent recent years near 100 to 1. We present that as a measurement, not a price prediction.

Has paper currency ever failed completely?

Many times. China's fabi (1935–1947), Weimar Germany's mark (1921–1923), Hungary's pengo (1945–1946), Argentina's pesos (1975–1992), the post-Soviet ruble (1991–1997), Zimbabwe's dollar (2007–2009) and Venezuela's bolivar each lost effectively all of their value. In every case the mechanism was the same: obligations exceeded output, and the money supply was expanded to cover the gap.

What does FDIC insurance actually cover?

Deposits — checking, savings, money-market deposit accounts and CDs — up to \$250,000 per depositor, per insured bank, for each ownership category. It does not cover the contents of a safe deposit box, securities or mutual funds bought through a bank, payment stablecoin balances, or the purchasing power of the dollars themselves.

Are the contents of a safe deposit box FDIC insured?

No. The FDIC states directly that safe deposit box contents — cash, documents, jewellery, coins or metal — are not protected by deposit insurance, and generally the bank does not insure them either. A box is rented space inside a building that happens to be a bank.

What happens to money above the \$250,000 limit if a bank fails?

The excess becomes a claim in the receivership. Domestic deposits rank ahead of general unsecured creditors, so uninsured depositors are often paid in part or in full over time, but the timing and the recovery depend on what the failed bank's assets fetch. At Silicon Valley Bank in 2023, uninsured

depositors were made whole only after regulators invoked the systemic risk exception — a discretionary decision, not an entitlement.

Why did the US dollar stop being redeemable for gold?

In two steps. In 1933 Executive Order 6102 required Americans to hand in gold coin and bullion at \$20.67 an ounce, and the Gold Reserve Act of 1934 then repriced it at \$35 — a devaluation of roughly 41%. Foreign convertibility survived until August 15, 1971, when President Nixon suspended it to stop foreign governments redeeming dollars for US gold. The dollar has floated ever since.

What did repealing Glass-Steagall actually change?

The Gramm-Leach-Bliley Act of 1999 repealed the affiliation restrictions that kept deposit-taking banks separate from securities underwriting and dealing, allowing banking, securities and insurance under one financial holding company. Deposit insurance was not repealed; the separation between insured deposits and market risk-taking was.

What is a bail-in, and can it happen to a US deposit?

Title II of Dodd-Frank gives the FDIC authority to wind down a failing systemically important firm outside bankruptcy, assigning losses to shareholders and unsecured creditors first. Insured deposits are paid by the FDIC and domestic deposits rank ahead of general unsecured creditors, so the exposure in practice sits with uninsured balances and bondholders rather than insured savers.

How much purchasing power has the dollar lost since 1913?

Using annual-average CPI-U, goods that cost \$20 in 1913 cost several hundred dollars today, so a dollar left untouched retains a small fraction of what it once bought. The education page includes a calculator that runs the arithmetic for any year on the timeline and shows the same amount measured in ounces of gold instead.

Is there a free study guide I can download?

Yes. The complete timeline, the FDIC coverage tables, the creditor waterfall and the study checklists are available as a printable PDF study guide from the education page. No email address is required to download it.

How has the Vatican preserved wealth for centuries?

By method rather than by trading. Gifts, tithes and bequests were converted out of currency into things that exist — churches, apartment blocks, farmland, libraries and an art collection begun in 1506 and never liquidated — then maintained across generations. The Administration of the Patrimony of the Apostolic See published its first public balance sheet in July 2021, disclosing 4,051 properties in Italy and roughly 1,120 abroad. The currencies quoted alongside those assets, from the papal scudo to the lira, were redefined or replaced; the property was not. The same records include failures, notably the €350

million London property affair that ended in a 2023 Vatican criminal trial.

What does the parable of the talents actually teach about money?

In Matthew 25 a landowner entrusts three managers with real capital. Two put it to work and double it; the third buries his in the ground out of fear and returns exactly what he was given. The master calls him wicked and slothful and names a fool: at the very least the money should have been left with the exchangers to earn interest. The judgement falls on passivity – refusing to learn how the money works – not on the size of the return.

What can a household copy from an endowment like a university or a church fund?

Four habits: keep the corpus and spend only part of the yield, convert income into assets that exist rather than leaving everything in one currency, maintain what you own so it appreciates instead of decaying, and diversify by kind rather than by name. What a household should not copy is the risk budget – an institution with a four-hundred-year horizon can hold illiquid assets through decades of loss, and a family with a five-year horizon cannot.



CURRENCY, ELSEWHERE

It has happened before, in other people's countries

PLACE	PERIOD	WHAT HAPPENED
Rome	AD 54 – 268	The silver denarius went from about 98% silver under Nero to under 5% by the reign of Claudius II. The coins kept their names and lost their contents.
France	1789 – 1796	Assignats, issued against confiscated church land, lost virtually all value within seven years and helped end the revolutionary government that printed them.
China	1935 – 1947	The nationalist fabi went from roughly 3 yuan per US dollar at issue to thousands per dollar within twelve years – the collapse helped carry the communist revolution to victory in 1949.
Weimar Germany	1921 – 1923	From about 10 marks per dollar to trillions. Prices doubled every few days at the peak. Lifetime savings bought a loaf of bread. Gold and silver held abroad kept German families whole; bank balances did not.
Argentina	1975 – 1992	Successive pesos were redenominated again and again as zeros accumulated – the peso that began the period near 10 per US dollar ended it replaced by a currency worth a ten-thousandth as much.
Russia	1991 – 1997	The post-Soviet ruble slid from roughly 20 per US dollar to thousands before the 1998 redenomination struck three zeros off every note. Wages and pensions were paid in a currency that shrank between payday and the shops.
Hungary	1945 – 1946	The worst hyperinflation ever recorded: prices doubled roughly every fifteen hours.
Zimbabwe	2007 – 2009	A hundred-trillion-dollar note was issued before the currency was abandoned entirely in favour of foreign money.
Venezuela / Argentina / Turkey / Lebanon	2015 – today	Living, current examples. In each case the mechanism is the same: obligations exceeded output, the money supply was expanded to cover the gap, and savers absorbed the difference.

None of this is a prediction about the dollar. It is the reason the dollar's own record is worth knowing in dates rather than in slogans.



Read it, check it, then call.

Every figure in this guide is printed with the public record it comes from, because a claim you cannot check is a claim we should not make. If something here does not hold up, tell us and we will correct it.

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