



# THE FIAT TRAP

HOW WE GOT HERE, & WHY BITCOIN MATTERS



**THIS EBOOK FEATURES A VISUALLY STRUCTURED LAYOUT DESIGNED TO GUIDE YOU THROUGH THE CONTENT SMOOTHLY WHILE KEEPING IT ENGAGING AND EASY TO READ.**

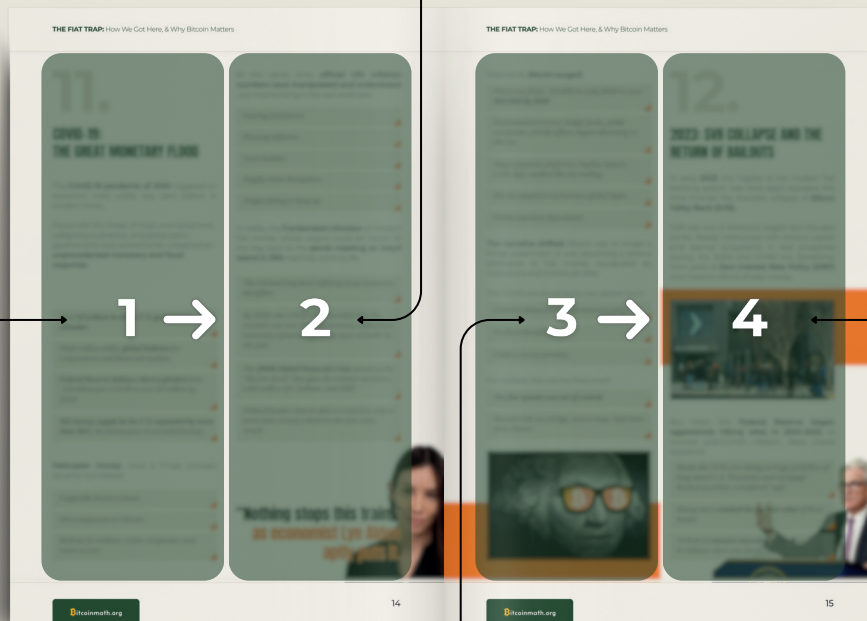
Here's the best way to read each spread (double-page layout):

**Start with the far-left column (1)**

This is where each section or chapter begins, presenting the title and the main introduction or key information.

**Next, move to the second column(2)**

Here you'll find the core content with important points, insights, and supporting details.



**Then, read the third column(3)**

This section includes additional content like highlights, related context, quotes, or unique perspectives that deepen your understanding.

**Finish with the far-right column(4)**

This wraps up the chapter or section and often previews the next topic, providing a smooth transition forward.



**THINK OF EACH SPREAD LIKE A FLOWCHART MOVING FROM LEFT TO RIGHT. FOLLOWING THIS ORDER HELPS YOU EXPERIENCE A CLEAR AND LOGICAL PROGRESSION THROUGH THE MATERIAL.**

# How to Use This eBook

We at **Bitcoinmath.org** are impassioned Bitcoiners who set out to learn the good, bad, and ugly about all things money, monetary history, finance, investing, and of course, Bitcoin, several years ago.

Through years of pursuing harsh truths over convenient lies, we developed a rich understanding of the key events that shaped modern monetary history and the systemic problems that gave rise to Bitcoin as a solution.

Because these concepts are difficult to grasp, most people shy away from the hours of study required to truly understand them, let alone confront the unsettling truths they reveal. We, on the other hand, are thick-skinned pursuers of truth.

It's why **we love math**, the most objective language in the world!

As we uncovered just how broken the fiat system had become, and how Bitcoin offers an unprecedented opportunity to create, preserve, and grow wealth, we realized there was a need for simple, clear tools to help others understand these same truths.

That's why we created **Bitcoinmath.org**, to empower people to:

- ₿ *See how fiat inflation erodes savings*
- ₿ *Understand concepts like Other People's Money (OPM)*
- ₿ *Explore Bitcoin-powered lifestyles*
- ₿ *Compare Bitcoin's CAGR to other popular investments*
- ₿ *Give people a fun, hands-on, interactive way to #StudyBitcoin*

This short book is our attempt to condense years of hard-won knowledge into something approachable, a **TL;DR version anyone can read over lunch**, instead of spending hundreds of hours in the archives.

We hope it leaves your eyes wide open to the problem, and sparks a deeper understanding of why Bitcoin could be such a powerful solution. After doing the work for ourselves, we ultimately came to the same conclusion as so many others in this world of broken money and endless fiat debasement:

**"Bitcoin is the exit strategy."**

# Preface

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# HIGH-LEVEL TIMELINE OF EVENTS

<b>PRE-MODERN</b>	Gold, silver, commodity money
<b>1694</b>	Bank of England founded
<b>1800S</b>	Classical gold standard
<b>1910</b>	Jekyll Island meeting
<b>1913</b>	Federal Reserve created
<b>1933</b>	Gold confiscation, Executive Order 6102
<b>1944</b>	Bretton Woods, USD as global reserve
<b>1971</b>	Nixon shock, end of gold backing
<b>1973</b>	Petrodollar system born
<b>2008</b>	Global Financial Crisis → QE → Bitcoin Genesis Block
<b>2010S</b>	QE, ZIRP, Bailouts, M2 Expansion
<b>2020-2021</b>	COVID stimulus → massive money printing
<b>2023</b>	SVB collapse → bank bailouts resume

# 01.

## THE ORIGINS OF MONEY: WHY GOLD WON

Before modern banking or paper money, societies experimented with many forms of value exchange: livestock, grain, shells, salt, beads. These worked locally but suffered from key limitations: perishability, difficulty of transport, and inconsistent value.

Gold, scarce, durable, divisible, portable, gradually emerged as the superior monetary medium. Its intrinsic properties made it ideal for storing wealth across time and geography.

Unlike fiat currencies today, gold's value was not imposed by decree. It was selected by markets, across civilizations, because of its qualities.

This process, known as “the emergence of money”, is critical to understanding why **sound money** matters. People chose gold not because they were forced to, but because it worked.

# 02.

## THE FIRST CENTRAL BANKS AND PAPER MONEY

As commerce expanded, transporting physical gold grew cumbersome. Governments and banks began issuing **paper notes** backed by gold deposits. Holders of these notes could redeem them for gold on demand.

This system depended on trust: the paper had value only if redemption remained possible. To manage this, **central banks were born**, starting with the Bank of England in 1694.

Over time, however, governments discovered that it was easier to print more paper than to acquire more gold. Wars, deficits, and political promises drove inflationary pressures.

The temptation to over-issue paper claims, without corresponding gold reserves, created cycles of **boom and bust, debt crises, and currency devaluation**.

# 03.

## JEKYLL ISLAND: THE BIRTH OF THE FEDERAL RESERVE



In **1910**, a secretive group of American bankers and politicians boarded a private railcar under false names and traveled to **Jekyll Island, Georgia**. Their mission: to design a new banking system to stabilize U.S. finance and centralize monetary power, in response to the Panic of 1907.





#### Participants at the Jekyll Island meeting:

**Senator Nelson W. Aldrich:** Republican "boss" of the Senate, father-in-law to John D. Rockefeller Jr.

**A. Piatt Andrew:** Assistant Secretary of the U.S. Treasury

**Frank A. Vanderlip:** President of National City Bank of New York (now Citibank)

**Henry P. Davison:** Partner at J.P. Morgan & Co.

**Charles D. Norton:** President of First National Bank of New York

**Benjamin Strong:** Representative of J.P. Morgan; later first president of the New York Federal Reserve

**Paul Warburg:** Partner at Kuhn, Loeb & Co., representing the Warburg banking dynasty

Together, this group drafted what would become the **Aldrich Plan**, the blueprint that evolved into the **Federal Reserve Act of 1913**.

Though promoted to the public as a safeguard against financial crises, the Federal Reserve System quickly became a tool for managing government debt and concentrating monetary power in the hands of major banking interests.

Confirmed quotes from meeting participants later in life corroborate that the Jekyll Island meeting took place for this exact purpose: to create what would become the Federal Reserve Banking System.

The Fed gave the U.S. government an **unprecedented ability to expand the money supply**, untethered from the discipline of gold, and concentrated enormous influence within a centralized banking cartel.

Many of the institutions represented at Jekyll Island, **J.P. Morgan, Citibank, the Rockefeller sphere**, still dominate U.S. and global finance today, and their heirs remain deeply embedded in the corporate, philanthropic, and political elite.

## 04.

### THE GREAT DEPRESSION AND GOLD CONFISCATION

**The Great Depression** of the 1930s devastated global economies and banking systems. In response, **President Franklin D. Roosevelt** issued Executive Order 6102 in 1933, an unprecedented act that made it illegal for U.S. citizens to own or hoard gold.

Americans were forced to surrender their gold holdings to the government at a fixed price of **\$20.67 per ounce**, under threat of fines or imprisonment.

This was one of the first major modern examples of a central government exercising **total control over the monetary system**, stripping citizens of monetary freedom and consolidating control of the nation's wealth.

It was a stark reminder that when money is controlled by government decree (**fiat**), the rights of citizens can be overridden at will.

Almost immediately after seizing the gold, the government **revalued gold upward**, raising the official price to **\$35 per ounce**. In doing so, the government instantly devalued the U.S. dollar and inflated away citizens' savings.

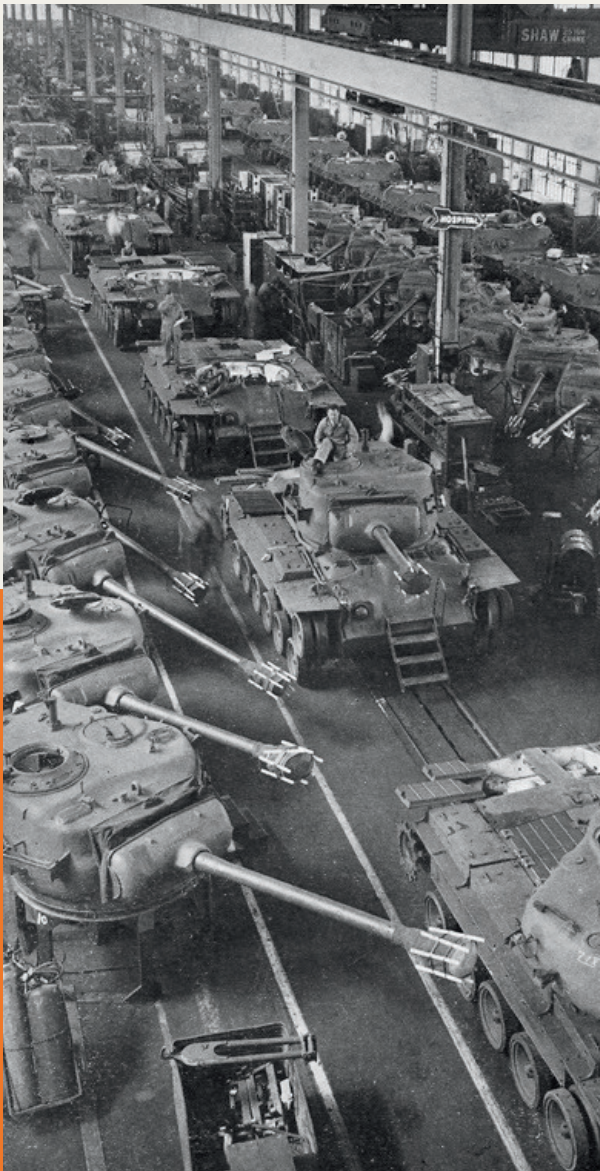
The beneficiaries were not ordinary Americans, but the federal government and large banking institutions, which could now service debt with devalued dollars, while the public bore the loss in purchasing power.

**This set a dangerous precedent:**

*Government could unilaterally confiscate private wealth in times of crisis*

*Currency value could be manipulated by decree*

**Monetary inflation** would become a core tool of state policy, always to the detriment of the average citizen



# 05.

## WORLD WAR II AND U.S. ECONOMIC DOMINANCE

As **World War II** came to an end, the **United States** emerged as the world's dominant economic and military power. The war had devastated Europe's industrial base, crippled its financial systems, and drained the gold reserves of many nations.

In contrast, the U.S. mainland was untouched by war, and its factories had **boomed**, supplying not only American forces but also the Allied nations.

To finance this massive war effort, Allied countries, particularly **Britain** and **France**, paid the U.S. in gold. The "Arsenal of Democracy" did not accept payment in devalued European currencies. Instead, the U.S. demanded **hard assets**, and gold flowed into American vaults.

By 1945, the U.S. controlled roughly **two-thirds of the world's gold reserves**, an extraordinary concentration of monetary power.



This gave the United States enormous leverage in shaping the postwar economic order. It also positioned the U.S. dollar as the natural successor to gold as the core of the global monetary system.

With Europe financially crippled, America had the industrial capacity, the gold reserves, and the geopolitical muscle to dictate the terms of global finance.

This imbalance would lead directly to the creation of a new international monetary framework, one that would formalize U.S. economic dominance for decades to come.



But beneath the idealistic language of cooperation,  
**geopolitical realities dominated:**

*The United States controlled **two-thirds** of the world's gold*

*The U.S. economy was the only major industrial base left intact*

*American political leaders saw an opportunity to create a financial system that would secure **long-term U.S. dominance***

# 06.

## BRETTON WOODS: THE DOLLAR'S GLOBAL EMPIRE BEGINS

In **July 1944**, as **World War II** was drawing to a close, representatives from **44 Allied nations** gathered at the Mount Washington Hotel in Bretton Woods, New Hampshire. The goal: to design a new international monetary system that would restore global financial stability and promote postwar reconstruction.

The result was the **Bretton Woods Agreement**, a monetary framework that made the U.S. dollar the world's central reserve currency.

### The mechanics:

*The U.S. dollar would be redeemable for gold at **\$35 per ounce***

*All other currencies would be pegged to the U.S. dollar at **fixed rates***

*Global trade would now be conducted primarily in **dollars***

In theory, this created a stable, gold-backed global system. But in practice, **Bretton Woods cemented U.S. monetary hegemony**:

*Other nations needed dollars to engage in international trade*

*Foreign central banks now held dollar reserves instead of gold*

*The U.S. could run trade deficits with minimal consequence, because global demand for dollars remained high*

In parallel, Bretton Woods also created two powerful new institutions: the International Monetary Fund (IMF) and the World Bank.

Their stated mission was to promote global financial stability and development, but in practice, these U.S.-dominated institutions became key levers of **monetary control and geopolitical influence**.



The IMF, in particular, evolved into a global lender of last resort, offering bailouts to struggling nations, but with strings attached:

*Borrowers were required to adopt **austerity programs** and currency devaluation*

*U.S. dollar primacy was reinforced*

*The interests of creditor nations (chiefly the U.S. and its closest allies) were protected above those of the debtor populations*

Over the following decades, the IMF and World Bank became central tools of the **post-Bretton Woods fiat regime**, deepening the dependence of emerging economies on debt, and entrenching U.S.-centric monetary power.

Rather than fostering true global prosperity, these institutions often exacerbated inequality, **locking developing nations into cycles of debt servitude** while ensuring continued demand for U.S. dollars and financial products.

Most importantly:

**“Bretton Woods marked the beginning of the world moving away from true gold-backed money, toward a system in which the U.S. dollar’s value was supported not by gold itself, but by confidence in American power.”**

Bretton Woods laid the groundwork for the fiat world that would follow, and for the erosion of monetary discipline that would culminate in the crises of the 1970s and beyond.

# 07.

## THE NIXON SHOCK: FIAT UNLEASHED

By the late **1960s**, the United States was caught in a growing monetary bind.

Decades of **expansive fiscal policy**, fueled by the costs of the Vietnam War, the Great Society social programs, and domestic political ambitions, had forced the U.S. to print more dollars than it could back with gold at the promised **\$35/oz rate**.



Foreign central banks saw the problem clearly:

*U.S. gold reserves were shrinking*

*Dollars in circulation were growing rapidly*

*The fixed gold-dollar peg was unsustainable*

As global confidence in the dollar weakened, foreign governments, especially **France under President Charles de Gaulle**, began **aggressively redeeming dollars for physical gold**, draining U.S. reserves.

In essence, the world was calling America's bluff, and the math no longer worked.

Facing the prospect of a catastrophic run on U.S. gold reserves, on August 15, 1971, President Richard Nixon announced that the United States would:

*Suspend the convertibility of dollars into gold*

*Break the Bretton Woods gold peg unilaterally*

*Move the world onto a fully fiat monetary system*



This abrupt move, now known as the **Nixon Shock**, marked the end of sound-money principles in global finance.

From that day forward:

*The U.S. dollar, and all major world currencies, became pure fiat, backed by nothing but political promises and public confidence*

*Governments gained **unchecked ability** to inflate and devalue their currencies*

*The foundation was laid for today's era of chronic debt, financial bubbles, and widening wealth gaps*



**Trust in government money would never be the same again.**

08.

## THE PETRODOLLAR AND THE U.S. MILITARY-INDUSTRIAL COMPLEX

In the wake of the **Nixon Shock**, the United States faced an urgent dilemma:

*The dollar was now fiat, backed by nothing*

*Foreign trust in the dollar was shaky*

*The U.S. needed to create **global demand for dollars**, or risk losing reserve currency status*



The solution came through a quiet but monumental geopolitical deal: **the birth of the Petrodollar system.**

In 1973, the U.S. government, under the Nixon and Kissinger foreign policy machine, struck an agreement with Saudi Arabia, the largest oil exporter in the world:

*In exchange for U.S. military protection and political support, Saudi Arabia would price all oil exports exclusively in U.S. dollars*

*Other OPEC nations quickly followed suit*

This arrangement meant that **every nation on earth now needed dollars** to purchase oil, the lifeblood of modern economies.

Global artificial demand for dollars was secured and the fiat dollar's role as the world's reserve currency was preserved.



But this system came at a **high long-term cost:**

*The U.S. had to guarantee the security of Middle Eastern oil producers, binding itself to a permanent military presence in the region*

*The American economy and political system became increasingly dependent on global dollar dominance, rather than true productive growth*

*The U.S. government and private contractors fed an ever-growing **military-industrial complex**, with massive budgets devoted to sustaining oil flow and geopolitical control*

*Domestic priorities, such as education, infrastructure, and societal well-being, were gradually deprioritized in favor of sustaining global fiat supremacy through military and political means*

**Resentment in the Middle East grew rapidly:**

*The U.S. became viewed not as a neutral global partner, but as a hegemon enforcing its will through military power, to control oil supply chains and prop up the fiat dollar*

*Generations of war, occupation, regime change, and covert operations further deepened this anger, helping fuel anti-American movements and, in some cases, terrorism*

**The Petrodollar system** succeeded in extending the life of the fiat dollar, but it distorted U.S. foreign policy, corrupted domestic priorities, and trapped the nation in a cycle of "**forever wars**" to maintain an unstable global order built on fiat money.

It remains one of the most consequential, yet least understood, pillars of the modern fiat system.





# 09.

## 2008: GLOBAL FINANCIAL CRISIS THE SYSTEM BREAKS

By the early **2000s**, decades of easy money policies, aggressive **financial deregulation**, and **global trade imbalances** had inflated massive asset bubbles, particularly in U.S. housing and debt markets.

Low interest rates, lax lending standards, and exotic derivatives created an unstable tower of leverage, with trillions of dollars in **mortgage-backed securities**, **credit default swaps**, and other opaque financial products, all riding on the illusion of endless housing appreciation.



When the **U.S. subprime mortgage market collapsed in 2007–2008**, the contagion spread rapidly:

*Major Wall Street banks faced insolvency*

*Credit markets froze*

*Global trade slowed sharply*

*Entire national economies were threatened*

In short:

**the fiat-based,  
debt-fueled system broke.**

For a closer look at these events, watch The Big Short, starring Christian Bale, Ryan Gosling, Steve Carell, and more.



In response, the **U.S. Federal Reserve**, and other central banks worldwide, launched unprecedented interventions:

*Zero Interest Rate Policy (ZIRP), driving borrowing costs to near zero*

*Quantitative Easing (QE), trillions of newly created dollars used to buy financial assets*

*Massive bailouts for "too big to fail" banks and institutions*

Rather than allowing market discipline to play out, governments and central banks **propped up the same system that had caused the crisis, and in doing so:**

*Rewarded the worst risk-takers*

*Concentrated wealth even further in the hands of the financial elite*

*Expanded public debt to historic levels*

*Created moral hazard that would fuel the next round of bubbles*

For millions of people around the world, and for many early technologists, this was a wake-up call:

*Fiat money could be printed endlessly*

*Governments would always choose inflation over discipline*

*The average citizen would always pay the price, through devalued savings, inflated costs of living, and social instability*

*Crony Capitalist systems would protect their friends at the expense of the people*

It was in this exact moment, amid the chaos of 2008, that an anonymous figure (or team) known as **Satoshi Nakamoto** unveiled an alternative:

**Bitcoin**, a new form of money that would be:



*Decentralized*



*Fixed supply*



*Free from government manipulation*



*Secure and transparent via blockchain technology*

The first Bitcoin block, the **Genesis Block**, even embedded a message referencing the moment:

**"The Times 03/Jan/2009 Chancellor on brink of second bailout for banks."**

Bitcoin was born directly out of the failures of the fiat system, as an attempt to create a new foundation for money in the digital age.

# 10.

## THE 2010S: KICKING THE CAN DOWN THE ROAD

In the years following the 2008 Global Financial Crisis, the U.S. Federal Reserve, along with central banks worldwide, pursued an unprecedented path:

*Zero Interest Rate Policy (ZIRP) remained in place for years*

*Quantitative Easing (QE) expanded relentlessly, with trillions of new dollars flooding into financial markets*

*Governments ran massive deficits, adding trillions to national debts*

But instead of using this moment to address **structural problems**, such as unsustainable debt levels, reckless financial practices, or rising inequality, global leaders chose the path of least resistance:

**They kicked the can down the road.**



**Markets became addicted to cheap money:**

*Financial assets, stocks, bonds, and real estate, inflated far beyond fundamentals*

*Corporate debt exploded, with companies borrowing at near-zero rates to buy back their own stock*

*“Zombie companies”, unprofitable firms that survived only due to cheap credit, multiplied*

Meanwhile, **wealth inequality soared:**

*The wealthy, who owned financial assets, saw massive gains*

*Ordinary workers, paid in fiat wages, faced stagnant incomes and rising living costs*

*Housing prices in major cities became increasingly unaffordable to the average citizen*





Official inflation statistics, like CPI, were systematically manipulated:

*Hedonic adjustments*

*Substitution effects*

*Weighting games*

These tactics **understated true inflation**, masking the reality that ordinary people were falling behind, while the rich accumulated more and more wealth.

Amid this distortion,  
**Bitcoin quietly gained traction:**

*Early adopters saw the writing on the wall:  
fiat systems were unsound*

*Bitcoin's **fixed 21 million supply** became  
increasingly attractive*

*Bitcoin communities grew, first online, then in  
meetups, conferences, and businesses*

*Institutional interest, from hedge funds to  
family offices, began to emerge by the late 2010s*

**For the first time  
since gold,  
a credible alternative  
to fiat money was on  
the global stage.**

The 2010s became a lost decade of debt, distortion, and inflated illusions, but also **the decade that seeded Bitcoin's ascent.**



# 11.

## COVID-19: THE GREAT MONETARY FLOOD

The **COVID-19 pandemic of 2020** triggered an economic crisis unlike any seen before in modern times.

Faced with the threat of mass unemployment, collapsing businesses, and global panic, governments and central banks unleashed an **unprecedented monetary and fiscal response**:

*Over \$5 trillion in direct U.S. government stimulus*

*Multi-trillion dollar global bailouts for corporations and financial markets*

*Federal Reserve balance sheet exploded from ~\$4 trillion pre-COVID to over \$9 trillion by 2022*

*M2 money supply in the U.S. expanded by more than 40%, the fastest pace in recorded history*

**Helicopter money**, once a fringe concept, became normalized:

*Forgivable business loans*

*Direct payments to citizens*

*Bailouts for airlines, cruise companies, and entire sectors*

At the same time, **official CPI inflation numbers were manipulated and understated**, but anyone living in the real world saw:

*Soaring food prices*

*Housing inflation*

*Asset bubbles*

*Supply chain disruptions*

*Wages failing to keep up*

In reality, the **Frankenstein Monster** of modern fiat money, whose origins could be traced all the way back to the **secret meeting on Jekyll Island in 1910**, had fully come to life.

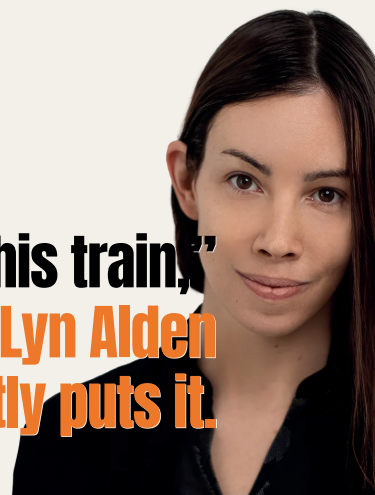
*The Fed had long been inflating away monetary discipline*

*By 2020, the COVID crisis revealed that the monster was now fully autonomous, addicted to monetary expansion, growing more unstable by the year*

*The 2008 Global Financial Crisis served as the "electric shock" that gave the monster sentience, with endless QE, bailouts, and ZIRP*

*Political leaders had no plan to control it, only to print more money whenever the next crisis struck*

**"Nothing stops this train,"  
as economist Lyn Alden  
aptly puts it.**



Meanwhile, **Bitcoin surged:**

*Prices rose from ~\$5,000 in early 2020 to over \$60,000 by 2021*

*Institutional investors, hedge funds, public companies, family offices, began allocating to Bitcoin*

*Major payment platforms, PayPal, Square, Cash App, enabled Bitcoin trading*

*Bitcoin adoption reached new global highs*

*Media attention skyrocketed*

**The narrative shifted:** Bitcoin was no longer a fringe experiment, it was becoming a serious alternative to fiat money, recognized by institutions and individuals alike.

The COVID era cemented a new global norm:

*Currency debasement as permanent policy*

*No fiscal discipline*

*Endless money printing*

For millions, this was the final proof:

*The fiat system was out of control.*

*Bitcoin's role as a hedge, and as hope, had never been clearer.*



# 12.

## 2023: SVB COLLAPSE AND THE RETURN OF BAILOUTS

In early **2023**, the fragility of the modern fiat banking system was once again exposed, this time through the dramatic collapse of **Silicon Valley Bank (SVB)**.

SVB was one of America's largest tech-focused banks, deeply intertwined with venture capital and startup ecosystems. It had prospered during the 2010s and COVID era, benefiting from years of **Zero Interest Rate Policy (ZIRP)** and massive inflows of easy money.



But when the **Federal Reserve began aggressively hiking rates in 2022–2023**, to combat post-COVID inflation, deep cracks appeared:

*Banks like SVB were sitting on huge portfolios of long-dated U.S. Treasuries and mortgage-backed securities, considered "safe"*

*Rising rates **crushed the market value** of these bonds*

*SVB faced **massive unrealized losses**, on paper, its balance sheet was deeply underwater*





When tech industry fears mounted, **depositors rushed to pull funds**, triggering one of the fastest bank runs in U.S. history:

*\$42 billion withdrawn in a single day*

*The bank collapsed within hours*

*Regulators shut it down*

SVB's failure was not an isolated event, it revealed **systemic risk** across the entire banking sector:

*Duration mismatches exposed poor risk management*

*Unrealized bond losses plagued many U.S. banks*

*Rising rates hit leveraged players the hardest*

In quick succession:

*Signature Bank failed: \$110 billion in assets*

*First Republic Bank failed: \$229 billion in assets*

Combined with SVB (\$212 billion), these 2023 failures totaled over \$550 billion in bank assets, surpassing the total AUM of all U.S. bank failures during the 2008 crisis.

### The U.S. government's response?

*Swift intervention*

*Reassurances that the system was "safe", despite clear structural flaws*

*Full bailout of **all depositors**, including those well above FDIC limits*

Once again, as in 2008, the message from the Crony system was clear:

*Bad actors were rewarded*

*Moral hazard persisted*

*The fiat banking system remained fragile, propped up by government promises*

For many in the Bitcoin community, SVB's collapse proved yet again why **Bitcoin's architecture matters**:

*Bitcoin has no counterparty risk*

*Bitcoin cannot be inflated away*

*Bitcoin cannot be frozen or seized by failing banks*

*Bitcoin held in self-custody is immune to the failures of the fiat banking system*

As one popular meme put it after the SVB collapse:

**"Bitcoin never needed a bailout."**

In nominal terms,

**2023 became the largest wave of U.S. commercial bank failures in history.**

#bitcoin ₿ is volatile, but it never needed a bailout.

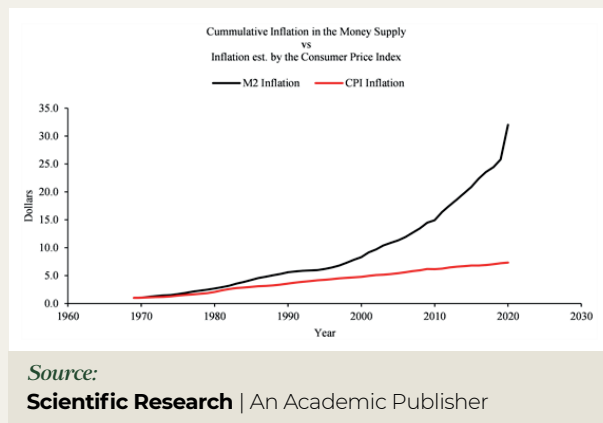
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# 13.

## THE INFLATION ILLUSION: HOW FIAT DESTROYS WEALTH AND HIDES THE EVIDENCE

For decades, governments and central banks have used **creative accounting** to understate true inflation, masking the costs of fiat money debasement.

The **Consumer Price Index (CPI)**, the most widely cited measure of inflation, is distorted through:



### Hedonic adjustments:

claiming that products are "better," so their higher price is "not real inflation"

### Substitution effects:

If steak gets too expensive, they assume you'll buy chicken instead, lowering measured inflation

### Changing basket weights:

Shifting categories to reduce the impact of rising essentials like housing or healthcare

**M2 Money Supply** grew from ~\$7.5 trillion in 2008 to over \$21 trillion in 2024, a 180% increase

**Reported CPI** rose only ~40–45% in that same period

**Median wages** grew by only ~15–20%, failing to keep up with even official inflation

**Asset prices** exploded:

- U.S. home prices: +150%
- S&P 500: +300%+
- Gold: +100%
- Bitcoin: exponential

### Translation:

- Everyday Americans are losing purchasing power every year
- Essentials, housing, healthcare, food, consume more of household budgets
- The middle class is being hollowed out
- The rich get richer, as fiat money printing inflates asset values
- The poor and middle are trapped in a system designed to siphon wealth upward

### Why does this happen?

**Because governments are incentivized to lie about inflation:**

- Higher CPI means higher interest payments on debt
- It erodes public trust if true inflation is admitted
- Understating inflation gives political cover to **print more money**, enriching those closest to the spigot

**Fiat inflation is a stealth tax:**

*It punishes savers*

*It rewards debtors and the financial elite*

*It perpetuates and widens wealth inequality*

**Bitcoin breaks this cycle.**

*Bitcoin's **fixed 21 million supply** cannot be inflated*

*Its issuance is transparent and immutable*

*No government can hide dilution or manipulate purchasing power*

*Bitcoin preserves value across time, immune to fiat's systemic decay*



**In simple terms:**

**Bitcoin is sound money.  
Fiat is deliberate, calculated,  
programmed theft.**



## BITCOIN'S OPPORTUNITY IN A FAILING FIAT WORLD

The fiat system is unsustainable, and worse, it has no off switch.

Over a century in the making, the Frankenstein Monster born at Jekyll Island, shocked to life by the Global Financial Crisis, turbocharged by COVID, now staggers forward under its own momentum.

As economist Lyn Alden likes to say:

**“Nothing stops this train.”**

Every attempt to tighten policy leads to crisis. Every crisis demands more fiat stimulus, more debt, more inflation, more distortion. The system is trapped in an accelerating doom loop:

*Debts can no longer be repaid, only rolled over*

*New money must be printed to sustain existing obligations*

*Each cycle further erodes the purchasing power of the currency*

There is no politically viable path back to fiscal discipline, only more debt, more inflation, more widening of the wealth gap.



**Fiat currencies  
are programmed to die.**

Against this backdrop, Bitcoin offers a way out:

- ✓ **A fixed supply:**  
21 million coins, forever
- ✓ **Decentralized:**  
no central authority, no single point of failure
- ✓ **Censorship-resistant:**  
no government can freeze or seize it
- ✓ **Permissionless:**  
open to anyone, anywhere in the world
- ✓ **Immune to inflation:**  
issuance is mathematically known and immutable

Bitcoin is battle-tested:

*No hacker has ever defeated Bitcoin's security model, despite trillions in incentives*

*Over 16 years old, with zero successful attacks on its core protocol*

*Its decentralized, global network grows stronger every year, more nodes, more hash power, more resilience*

Even sophisticated hackers who exploit "crypto" projects almost always **convert their gains into Bitcoin**, recognizing it as the hardest, most secure asset in the digital realm.






## Final Chapter

Institutional adoption is accelerating:

Bitcoin is now categorized as money in numerous legal frameworks	Taxed as property by the IRS, reinforcing its role as a durable, long-term asset	Adopted by the U.S. Government via Bitcoin Strategic Reserves
Adopted by multiple U.S. states via Bitcoin Strategic Reserves	Included in the portfolios of countless billionaires, hedge funds, family offices, and successful investors	Major financial giants, Fidelity, BlackRock, Franklin Templeton, ARK, now offer Bitcoin ETFs and managed products
Sovereign wealth funds and pension funds adding exposure	Public companies holding Bitcoin on balance sheets	El Salvador adopting Bitcoin as legal tender
Emerging markets, where fiat is collapsing, turning to Bitcoin for savings, remittance, and commerce		

**And yet,  
Bitcoin is still early.**

Global asset markets:

	<b>Gold</b> ~\$22 trillion
	<b>Bonds</b> ~\$133 trillion
	<b>Real estate</b> ~\$300 trillion
	<b>Equities</b> ~\$100 trillion
	<b>Fiat currencies</b> (cash + deposits) \$100+ trillion

**Bitcoin's** total market cap (~\$2 trillion) remains tiny by comparison.



The opportunity is massive:

*For individuals seeking financial freedom*

*For businesses hedging fiat risk*

*For entire nations seeking monetary sovereignty*

As Bitcoin's adoption grows , as more people see through the lies of the fiat system, its role as a store of value, hedge against debasement, and freedom-enabling technology will only expand.

As Michael "Bitcoin Godfather" Saylor once said, when asked by a fiat-minded reporter what his "exit strategy" would be when Bitcoin hits \$1 million:

"When do you abandon the lifeboat and swim back to the sinking ship? The answer is NEVER.

# Bitcoin is the exit strategy.



Signed with conviction by the passionate Bitcoin and Finance Geeks at **Bitcoinmath.org**

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# ENDNOTES & REFERENCES..

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- ₿ **Executive Order 6102 (Gold Confiscation)**
- ₿ **Bretton Woods Conference**
- ₿ **Nixon Ends Gold Convertibility**
- ₿ **Petrodollar Origins**
- ₿ **Global Financial Crisis 2008**
- ₿ **Bitcoin Genesis Block**
- ₿ **U.S. M2 Money Supply**
- ₿ **U.S. Dollar Purchasing Power**
- ₿ **Asset Market Sizes (Gold, Real Estate, Equities, Bonds, Bitcoin)**  
CompaniesMarketcap, St Louis FRED, Statista, Visual Capitalist, and  
Coinmarketcap
- ₿ **Saylor Quote**  
Bloomberg TV Interview



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