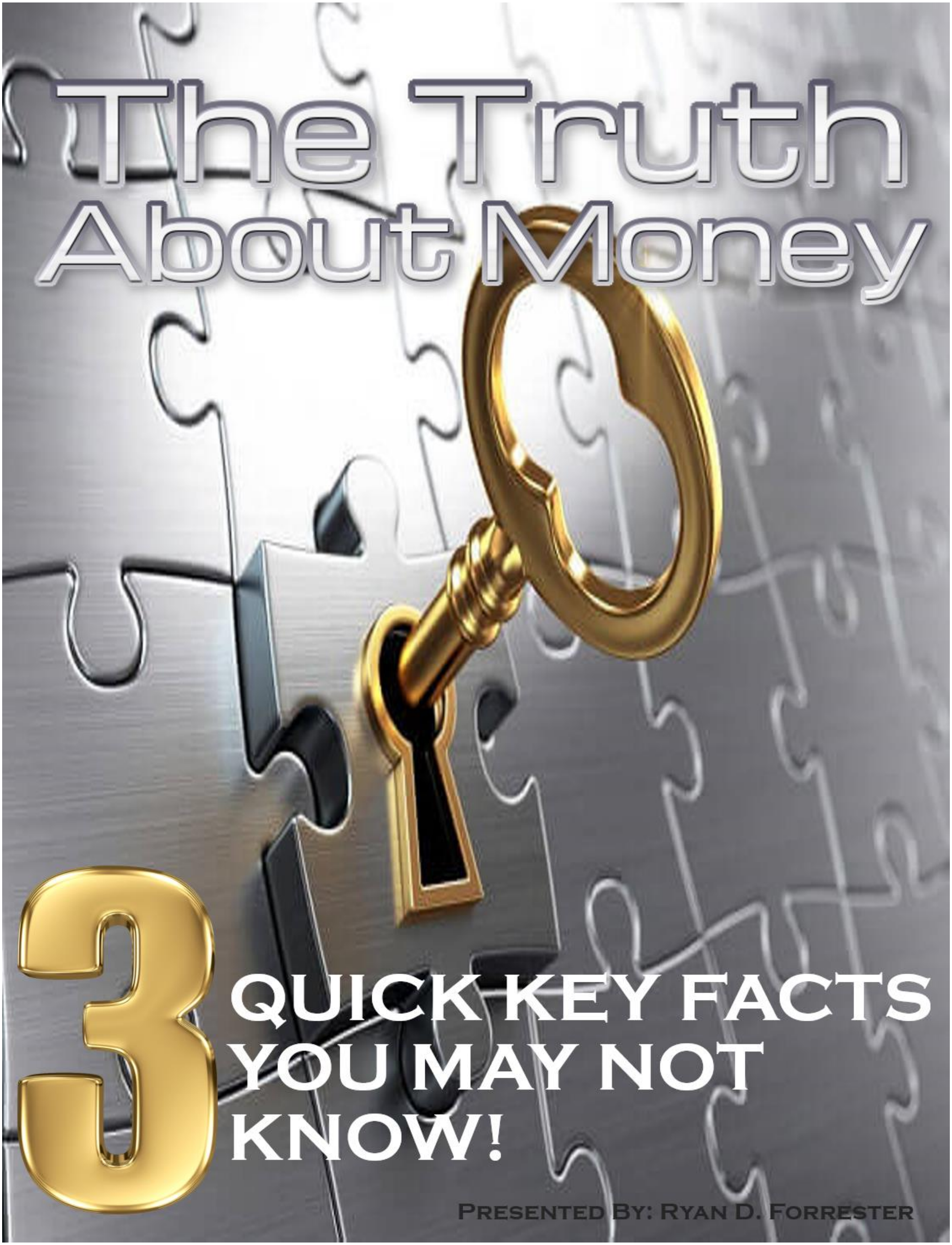
The Truth
About Money
3
QUICK KEY FACTS
YOU MAY NOT
KNOW!
Presented By: Ryan D. Forrester

Hello!

Thank you for taking an interest in this report.

My name is Ryan and I've been a Licenced Insurance & Income Protection Advisor for almost a decade. During my career I've learned things about money that was not taught to me in school, nor did my parents have candid discussions about it around our dinner table. Unfortunately, this happens to be the case for many people around the world, maybe you as well.

Certainly everyone has their own paradigms based on their experiences, values and beliefs and the information in this report may challenge those very beliefs you have. Some of the things that I will share with you today may be so unconventional that it would seem somewhat implausible however, I encourage you to read on with an open mind. I chose to write this report in hopes that I can teach you something that you may not have known before. And my only request is that if you do find value in this information, pass it on to a loved one by forwarding them a copy of this report.

Early in my career one of my mentors said to me, "Ryan, you don't know what you don't know." It was obvious that I was somewhat confused so he explained himself further and his message was simply this: never stop learning. And today moving forward I would encourage you to do the same.

Welcome to The Truth About Money.

Enjoy!

Introduction – Who Were Your Teachers of Money?

Let's begin here; who taught you about money?

If you were fortunate to have learned from your parents who are either economists, well-to-do entrepreneurs or professionals, then you belong to a select group of people. For many, apart from our elementary school teachers who taught us the basic concepts about money, it has been the banking system that educated most of society on the subject.

Wasn't it the bank that taught you how to set up your first chequing and savings account? Do you remember when you learned that they were going to begin taking fees from those accounts? They taught us how to apply for student loans and offered us our first credit card. The banks taught us how to get our first car loan, our first mortgage, our first business loan, and our first line of credit. Then, we were "pre-approved" for a higher limit on the credit card and the bank taught us how to get it. The banks even taught us how to borrow for our retirement savings plans. The common thread is they are all based in debt and, sadly many amass a tall personal debt level that, in some cases, take a lifetime to pay off.

Like any other business we can agree that banks are in business for profit. Generally speaking however, while the banks spoon feed us debt they continue to experience multi-billion dollar quarterly growth year-over-year.

Hmmm, if banks are corporations for profit but dangle carrot sticks called debt to us, is what they're teaching us for our interests or theirs? No pun intended.

Let's get to Key Fact #1.

Key Fact #1 – The US Dollar Was Once Backed By A Gold Standard!

Here's a quick history lesson. In 1913 the U.S. Federal Reserve Bank was created. The intention was to control monetary policy specifically concentrated at preventing volatile boom and bust cycles. However, shortly after came the great depression and the public rushed into gold as protection against a shrinking US dollar and a collapsed stock market.

Then, after WWII the Bretton Woods Agreement was established to try to bring stability to the global financial system. Under the agreement, currencies were pegged to the price of gold, and the U.S. dollar was seen as a reserve currency linked to the price of gold.[i] The dollar was pegged at 35 dollars per ounce making the dollar convertible into gold.

On august 15, 1971, President Richard Nixon called for a temporary suspension of the dollar's convertibility. Countries were then free to choose any exchange agreement, except the price of gold.[ii] This "temporary suspension" still stands today, almost 50 years after the collapse of the Bretton Woods Agreement which consequently birthed fiat currency, a term you will learn about in Key Fact #2. Interestingly, monetary scholar Edwin Vieira pointed out that 'every 30 to 40 years the reigning monetary system fails and has to be retooled'.[iii] We're now six years past that bookend and the stress cracks are beginning to show.

Quick question: did you know that our "money" was once backed by gold? Maybe you did…maybe you didn't; either way we've only just begun to scratch the surface.

Continue reading because Key Fact #2 <u>REALLY</u> blew my mind when I first learned of it!

Key Fact #2 – What You Call Money Is Not Real Money!

Blasphemy you say? Hear me out.

When the U.S. dollar was on the gold standard it merely represented real money which is physical gold. What we use in trade today for our goods and services is known as a "fiat currency". In simple terms, fiat currency (what we call money) is currency created out of thin air and backed by nothing. There is no real inherent value in the currency itself.

Investopedia defines fiat currency this way,

> *Fiat money is currency that a government has declared to be legal tender, but is not backed by a physical commodity. The value of fiat money is derived from the relationship between supply and demand rather than the value of the material that the money is made of. Historically, most currencies were based on physical commodities such as gold or silver, but fiat money is based solely on…faith. Fiat is the Latin word for "it shall be".*[iv]

So, there it is; the government said "it shall be" and it was.

President Richard Nixon's temporary suspension ended the Bretton Woods Agreement in 1971, enabling the U.S. central bank (The Federal Reserve) to print an unlimited supply of currency resulting in the devaluation of the currency and inflation. Little study is needed to determine that prices continue to climb but our ability to buy more with our currency has not increased at all! As a result, we work more for dollars that continue to buy less. This is true in the western parts of the world as it is in the east.

The U.S. dollar has been on a declining trajectory and has lost more than 90% of its original buying power since the inception of the U.S. Federal Reserve in 1913. However, do not assume this to be an issue only reserved for America. There have been thousands upon thousands of fiat currencies, currencies that are unbacked by gold or silver, and they have all gone to zero. It's a one-hundred percent failure rate.[v]

Whether in my country or yours the fact is that what a dollar could buy decades ago a dollar just doesn't buy today. Too bad you and I are not legally allowed to print currency too, huh?

Anyhow, let's move on because Key Fact #3 is STILL rubbing me the wrong way!

Key Fact #3 – Fractional Reserve Banking. Huh?!

If you've never heard the term before chew on this: fractional reserve banking (also known as fractional reserve lending) is exactly what it says. The bank is allowed to, within legal limits, reserve only a fraction of your deposits and lend the rest to others. You're essentially loaning the bank your money for *their* profit. This too expands the money supply, increases risk, and causes inflation, much like unlimited currency printing as previously discussed.

Let's check in again with Investopedia to see what they have to say,

> *Fractional reserve banking is a banking system in which only a fraction of bank deposits are backed by actual cash-on-hand and are available for withdrawal. This is done to expand the economy by freeing up capital that can be loaned out to other parties. Most countries operate under this type of system. Also known as "fractional deposit lending".*[vi]

Did you get that?

Only a fraction of bank deposits are backed by actual cash-on-hand! For example, when you deposit $100 into your bank account, using a 10% reserve ratio the bank will loan $90 to others. There is then another fractional reserve lent on that $90 at their bank and so on. Only a fraction of your deposit is actually kept while the rest is lent to other's baring interest for the bank!

Some call this business and some call it theft. You can make your own judgment on that one.

The bottom line is this: if we all were to make a 'run on the banks' meaning, everyone went to the bank to withdrawal all their money at once, the banks wouldn't have enough to cover all the obligations. The banks are banking on the assumption that this won't actually happen however, it *has* already happened and in very recent history, too!

When I learned of this the numbing question I had was if central banks print the currency into existence, and the fractional reserve banking system expands the currency supply through loans and credit but, we're required to pay back those loans with interest, where are we supposed to get the interest from if it was never printed into existence in the first place? Phew!

Confused? Yeah…the banks are banking on that too!

I would imagine that most of what I've shared today may be new information for you as it was for me when I first started learning of it; there is no shame in this. Remember my mentor's words, "you don't know what you don't know". My hope is however, that I've created a small wedge in your mind and imparted some value to you today.

That said, there is much more truth that I've learned but unfortunately couldn't fit into a short report like this. And with that in mind I'd like to share something else with you, information that has proven to protect people and their currency against inflation for decades. And just like this report I'm giving the information away because I'm truly committed to educating people. No matter where you are in the world similar banking rules apply so, I want to help you preserve your wealth as I have begun to do.

Are you ready to learn how?

Is your future worth it?

If it is, Click Here!

Thank you for your time and attention.

Ryan D. Forrester

[i] http://www.investopedia.com/terms/b/brettonwoodsagreement.asp
[ii] http://www.investopedia.com/terms/b/brettonwoodsagreement.asp
[iii] http://georgewashington2.blogspot.ca/2011/08/average-life-expectancy-for-fiat.html
[iv] http://www.investopedia.com/terms/f/fiatmoney.asp
[v] Money vs. Currency – Hidden Secrets Of Money Ep 1 – Mike Maloney
[vi] http://www.investopedia.com/terms/f/fractionalreservebanking.asp