



Conscious Money

LOHAS Conference

Boulder, Colorado USA

June 19, 2008



Conscious Money

- *Being* Conscious about Money
 - What does that mean?
- *Creating* Money Consciously
 - What would that mean?



What is Money?

○ ¥ £ € \$

- Professional advise usually on how to:
 - Invest
 - Save
 - Borrow
 - Give (philanthropy)
 - Taxation



What is Money?

- Economists fail to define what it is:
 - Describe what it does – medium of exchange, a store of value, etc.
 - Money is a given like the number of continents on our earth or planets in the solar system
 - They don't define what it really is



Money is:

- A human construct
 - It an agreement (usually unconscious) to use something as a medium of exchange
 - Everything has been used from A-Z
 - Axes, whales' teeth, tally sticks, shells
 - During WWII– cigarettes, whiskey. and nylons



Why is this important?

- If we don't understand the functional dynamics of money:
 - Personal: How can we comprehend how this is hotwired into our psyches?
 - Collective: How do we make sense of what's happening in the economy now and course correct for the future?



Experts: Money is value neutral

The Reality is:

- Monetary system is based on
 - Fear of scarcity and
 - Greed
- Because National Currencies are:
 - Kept scarce -- to maintain value
 - Fiat – nothing backing the currency
 - Issued by a Central Authority - private



The result is:

- Competitiveness
- Scarcity
- Hierarchy
- The concentration of wealth in the hands of a few
 - Result of positive interest



The Dismal Science

- Adam Smith (1723-1790) – the father of modern-day economics
 - Moral Philosopher – creation and distribution of wealth.
 - Age of Enlightenment – Newton, Lock
 - Desire to make economics *scientific*
 - Concept of equilibrium – balance points – taken from



As a Consequence

- Mathematics of the equilibrium theory
 - Foundation of the traditional economics used today
 - Based on assumptions of Newtonian physics



The First Law of Thermodynamics

- States that energy is neither created nor destroyed and is otherwise known as the *Conservation of Energy Principle*
- Developed in the early to mid 19th century
- However.....



The Second Law

- Foundational economic thought was developed before the discovery of this law.
- States that the universe as a whole is inevitably drifting from a state of order to a state of disorder
- Also assumed that all systems were closed, which ties in perfectly with the underlying assumption of the Conservation of Energy



The Result

- *“Misclassifications has acted as a straightjacket, forcing economists to make highly unrealistic assumptions and limiting the field’s empirical success.”*

--- Dr. Eric Beinhocker - *The Origins of Wealth Complexity and the Radical Remaking of Economics*

(Boston: Harvard Business School Press, 2006)



What does this all mean?

- We sit here in a Quantum universe
- We need systems that reflect who we are becoming and the consciousness that embraces
- Consciousness can't flourish with outmoded systems



Question

- Can we consciously design money, money products, and a more agile economic system?



New Monetary Innovations

- Complementary currencies
 - Business application – frequent flyer miles.
 - Started as a marketing ploy to encourage loyalty
 - 3,000+ around the world working in social environment



Design

- Link unused resources with unmet needs
 - Issued in sufficiency
 - Backed by as time or a commodity
 - Accounting transparent
 - Non-hierarchical
 - Non- competitive



Design

- Work in parallel with conventional money
 - Does not replace, but work in tandem with regular currency
 - These are called a dual currency systems



Scope

- These new money agreements are address a variety of economic solutions:
 - Climate change
 - Education
 - Health and Elderly care
 - Unemployment/underemployment
 - Keeping customs buying locally



Why is this important to you and your enterprise?

- A well-crafted complementary currency can:
 - Strengthens bonds with local community
 - Provides an addition source of liquidity into your business
 - Ensures currency stays within the community and continues to circulate
 - Differentiates business from other providers



The next phases of innovation

- How do we consciously raise capital?
- How do we provide more sustainable business models, since our current monetary system is not?
- How do we design business currencies that support the greater cause of sustainability?