

A light gray world map is centered in the background of the slide. In the bottom left corner, there are several stacks of gold coins, with one coin lying flat in the foreground.

Financial System Change & What You Can Do to Protect Yourself

MADISON FORUM 3-31-25

Barbara L. Neuby PhD

Convergence & Harmonization
of Financial Standards

~KEY PRINCIPLES~



- **A Slow Reset**
- **Follow the Facts-
Wherever They Lead....**
- **“Adaptable Mindset”**
- **Open Lines of
Communication**
- **Prepare- Everyone’s
Situation Is Different**
- **Survival Requires
Vigilance & Resilience**

Global System Changes

- **BRICS Growth- Multi-polarization**
- **Dollar/Economy/Events/Warnings**
- **Treasury Bond Trade**
- **Banks & Condition**
 - a. **Stability-FDIC & FSB**
 - b. **FDIC “Resolution” Options**
- **Central Bank Gold Purchases**
- **CBDC Progress**
- **Dollar Stable Coin/Digital Wallet**

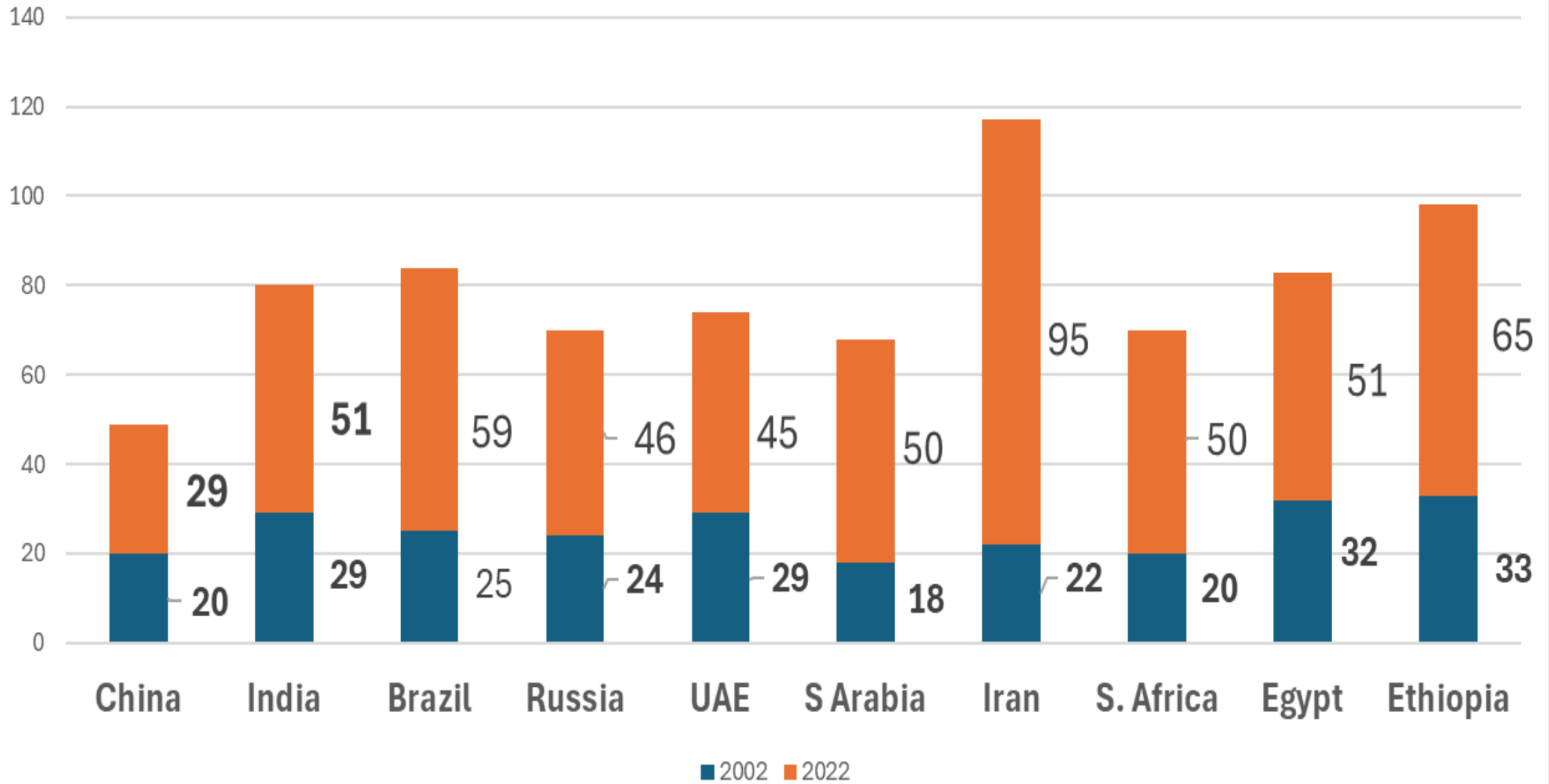


Brazil, Russia, India, China, S. Africa
2022-23 - Egypt, Ethiopia, Iran, S.
Arabia & UAE, Cuba, Indonesia (1/25)

- 42% World's Population
- 40% World's Economy
- +30 more
- Planning Gold-Backed Currency
- New Development Bank
- Contingent Reserve Fund
- Creating Digital Platforms

ALL NON-DOLLAR ASSETS

BRICS % Trade w/Ea. Other

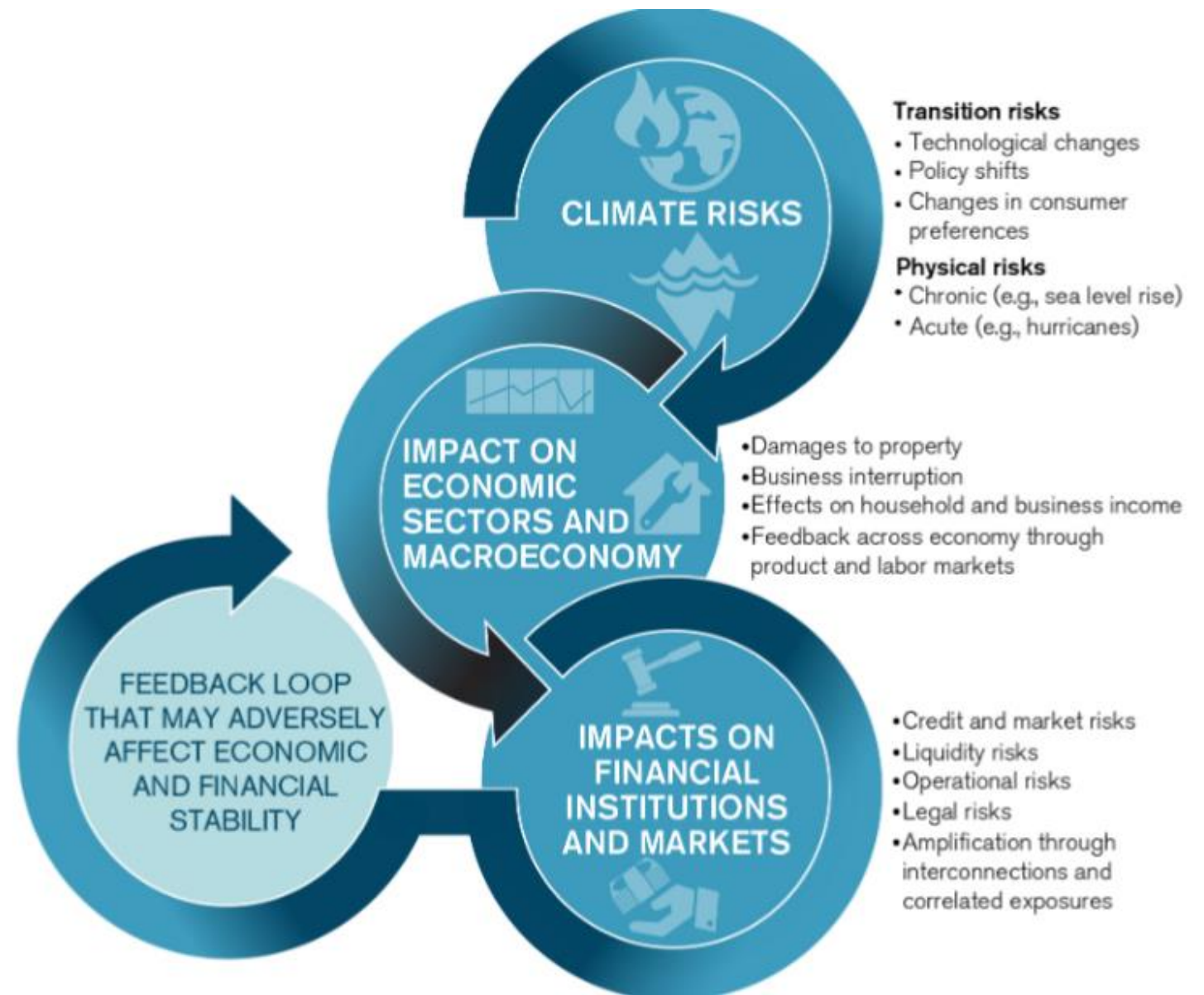


“Financial Stability Oversight Council”

Executive Order 14030,
Climate-Related Financial Risk May 2021.

“Net 0 Gas emissions by 2050”

How to manage climate to support economy



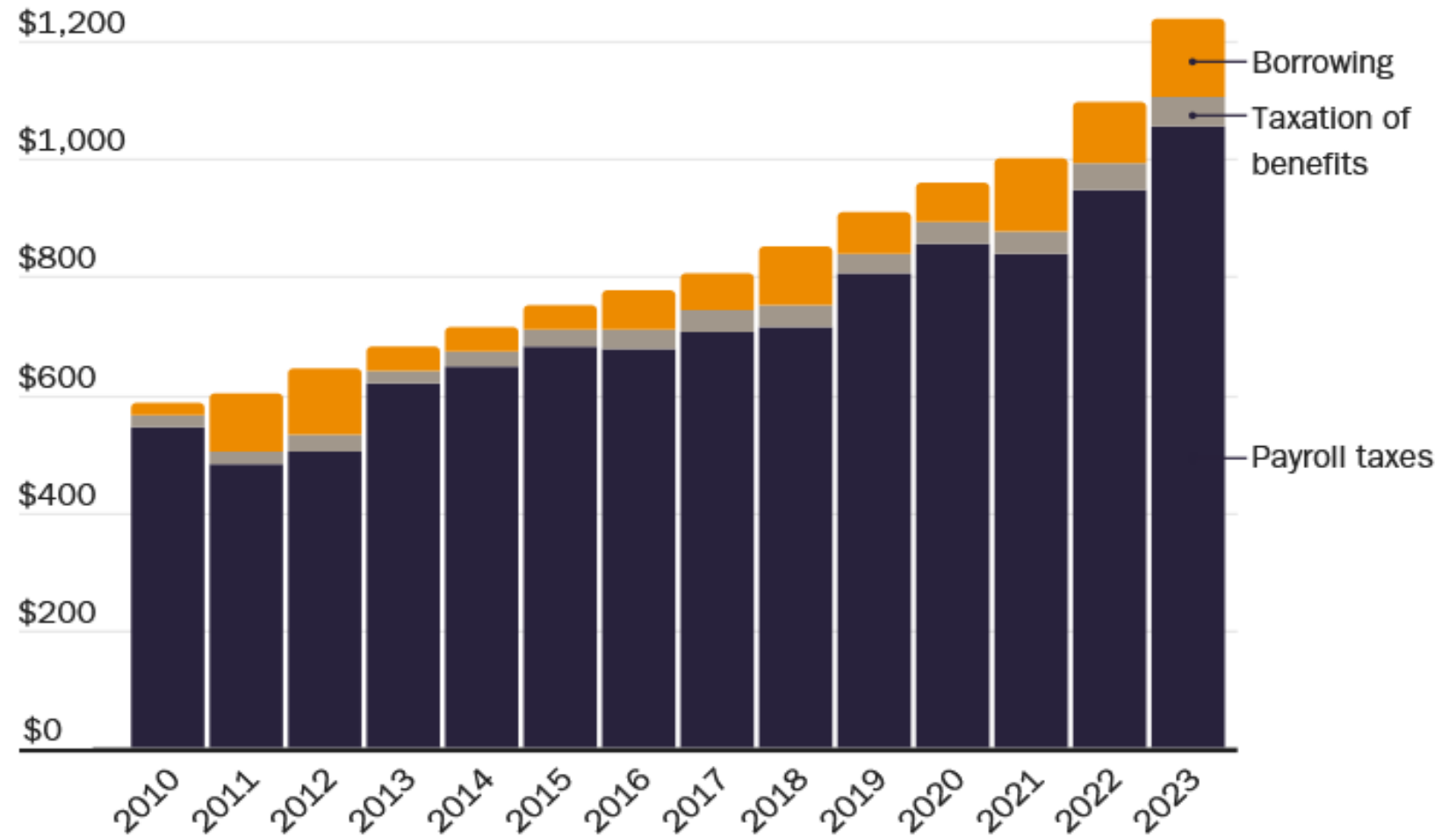
Economy

- **Retail Closures & Bankruptcies**- Up 69% ('23-'24) BigLots, Macy's, Belk's, True Value, Denny's, Family Dollar, Rite Aid, CVS, Walgreens, etc...MANY More
- **DOGE Layoffs & Unemployment**- 31 States' Trust Funds Are Insolvent. (Dept of Labor 2024).
- **Tariff Uncertainties**- not total cause of inflation
- Allies Rethinking **U.S. Weapons Deals**- EU nations may cancel contracts
- **Market Volatility-VIX**- From 13 to 20 (2023-2024 Y-O-Y) (CBOE 2025)
- **Labor Statistics** Incorrect- "4.1%." Mar 2025. They admit numbers don't add to 100% ("Monthly Household Surveys" 72% Response rate. Bureau of Labor Statistics, 2025)

Social Security is Borrowing to Pay Benefits (since 2010)

Social Security has borrowed \$1.08 trillion to bridge cash flow deficits since 2010

Income sources for the Old-Age and Survivors Insurance program costs, billions of US dollars

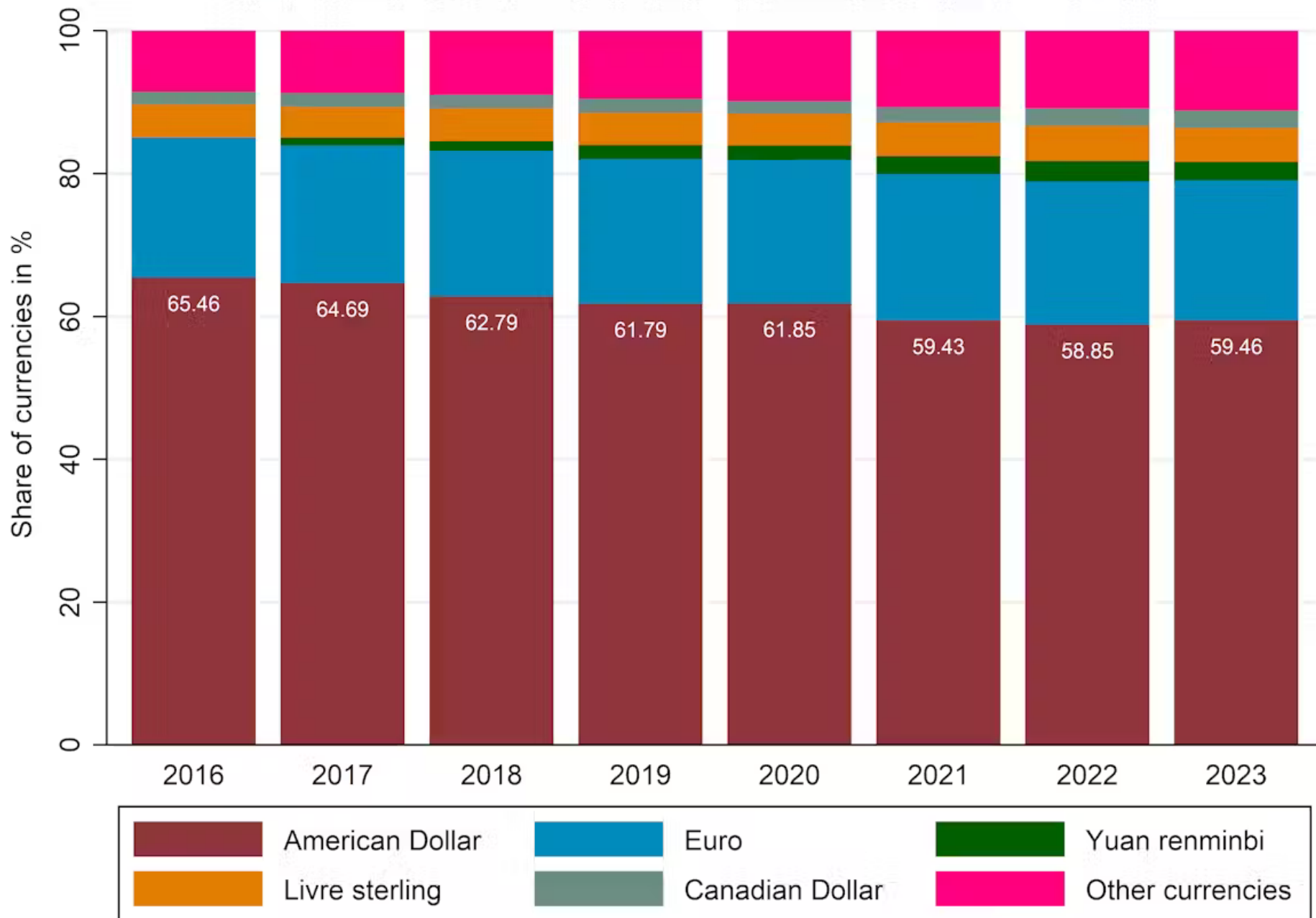


Source: Data were obtained from the Social Security Administration's *Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds* for 2010–2023.

Figure 1. Currency Composition of Official Foreign Exchange Reserve (in %)

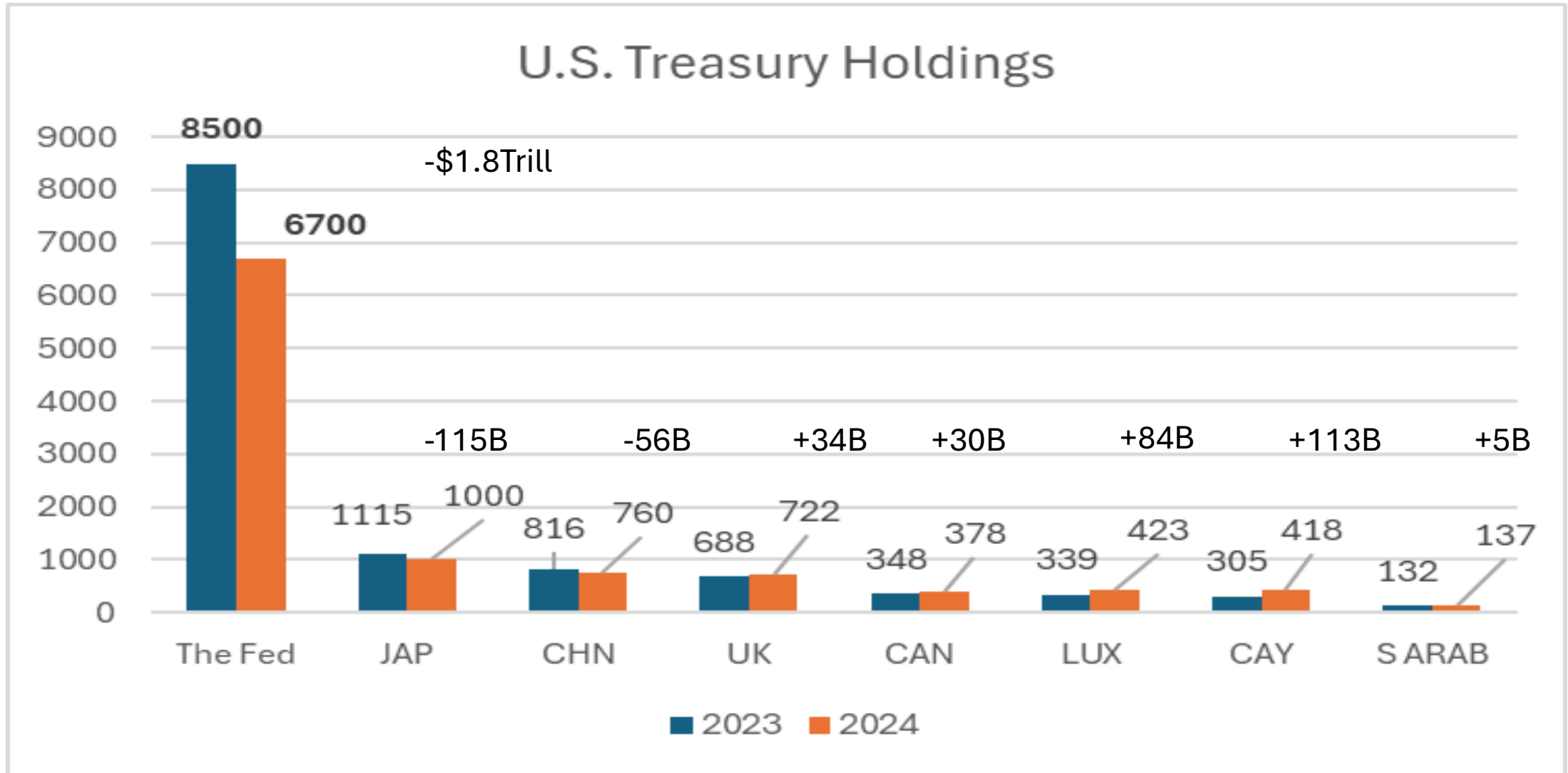
Dollar Share Foreign Exchange Reserves

2000 - \$ = 72%



Source: Zakaria Sorgho (for The Conversation) using data from COFER (IMF)

Top 8 Holders of U.S. Treasuries (000,000,000s)



Pension Fund Holdings of U.S. Treasury Bonds 1990-2023



Source: Board of Governors of the Federal Reserve System (US) via FRED®

Shaded areas indicate U.S. recessions.

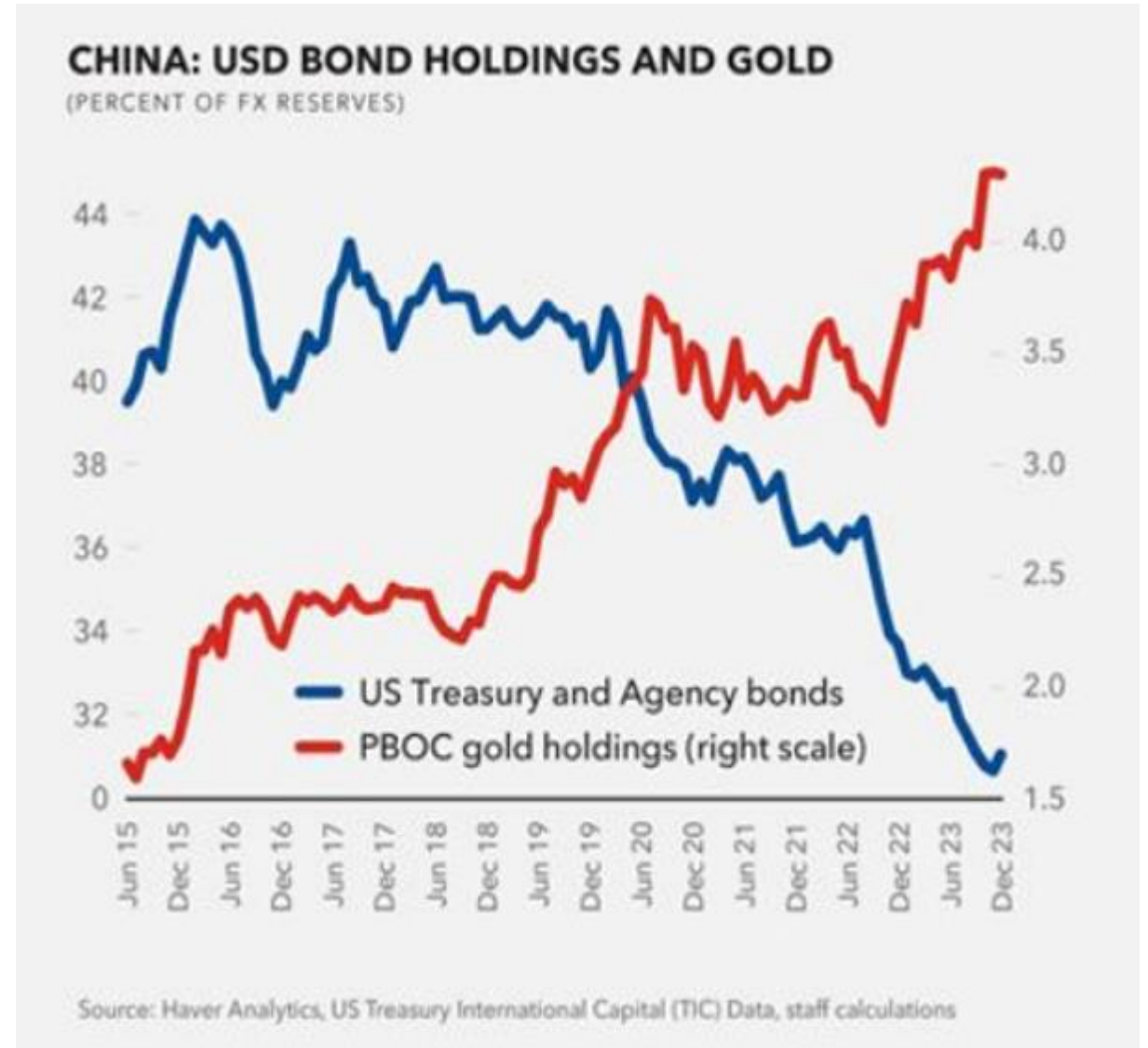
myf.red/g/1ECRk

China's Inversion: Sell Treasuries, Buy Gold

Percent of Foreign Exchange Reserves

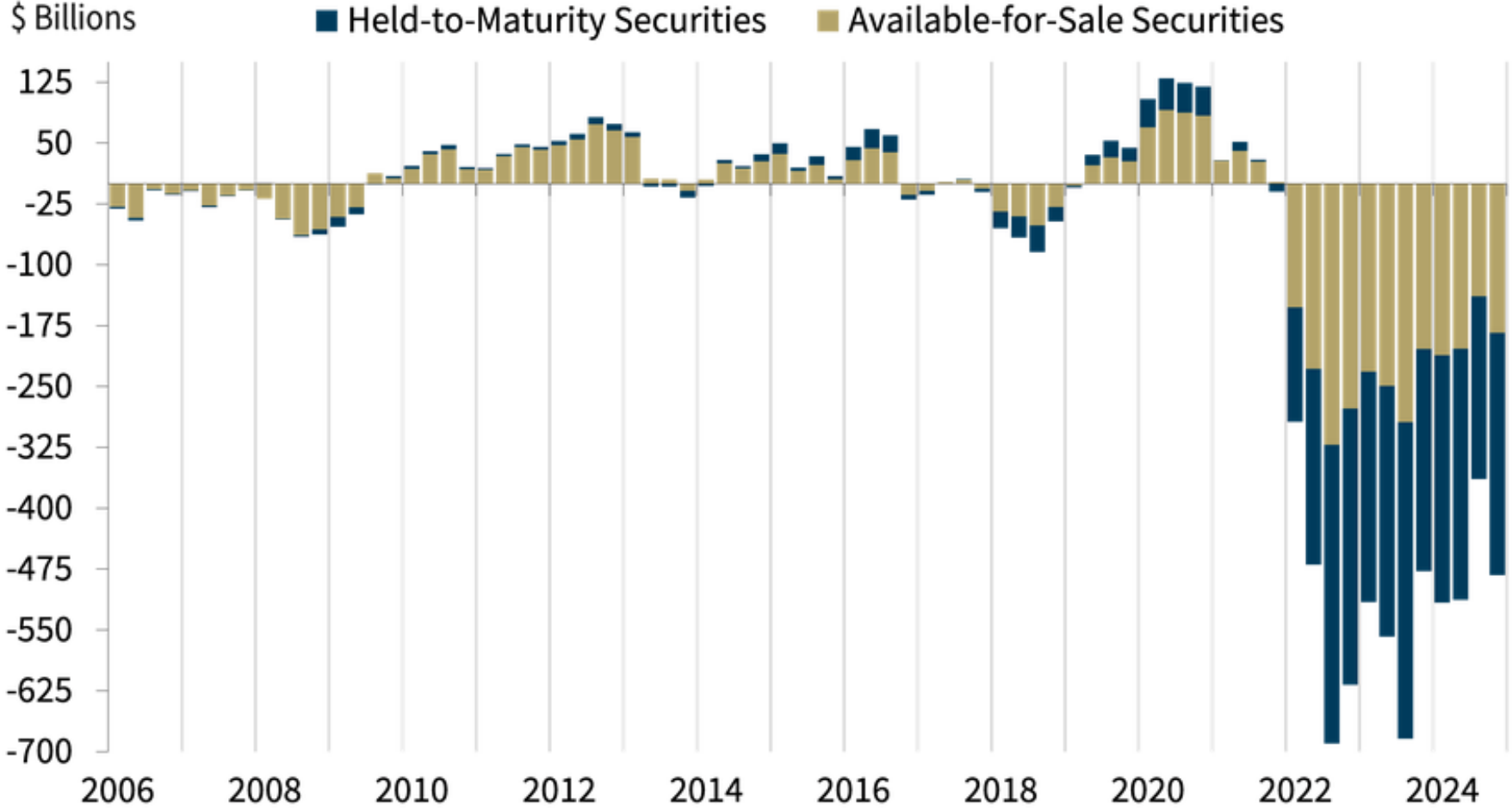
Bonds 2015- 44%; 2023 31%
Gold 2015- 1.6%; 2023 4.6%

Implicit Assumption:
Gold Backed Currency



**FDIC
Reports
~\$60Bil
Bank Profits
but...**

Unrealized Gains (Losses) on Investment Securities



Source: FDIC.

Note: Insured Call Report filers only. Unrealized losses on securities solely reflect the difference between the market value and book value of non-equity securities as of quarter end.

Banks- FDIC- “Options for Deposit Insurance Reform”

- 3,000 Branch Closures '23-'24
- **Self - Predicts All Physical Banks Closed 2030**
- Q4, Banks Earn \$64 Billion, but: #66 Banks on “Problem Bank List”
List is Not Public
- No Reserve Capital:
Pre-Covid =10% Mar 2020 = **0%**
- Derivative Market \$600T-\$1Quad
- Predict: Cash Demonetized-2030

- ***Silicon Valley Bank-***

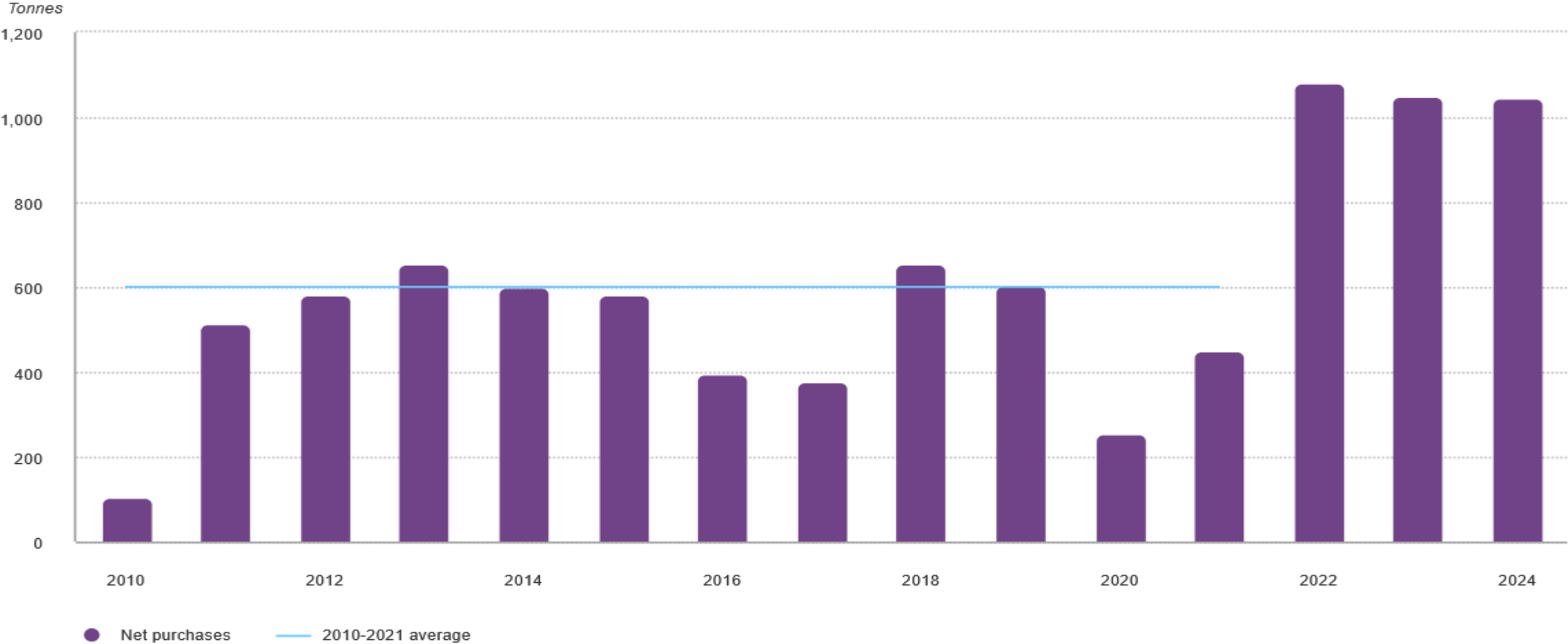
- a. Regulators Knew Large % of Uninsured Deposits
- b. Disclosure of Massive Losses
- c. Run on Bank from Treasury and Mortgage Security Losses

- **FDIC Insurance Solution seems “Targeted Coverage-Increase Limit” for Business, Not Individuals**
- **FDIC Will No Longer Publish Unrealized Loss Amounts**

Basel III Agreement- Banks May Hold Gold as Tier 1 Asset.

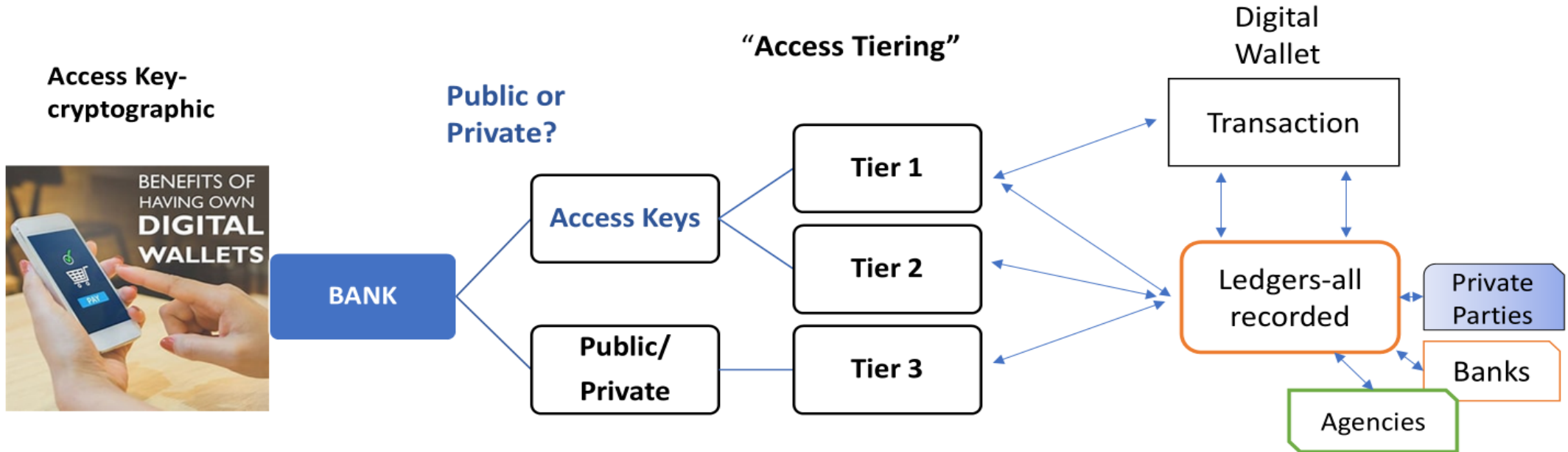
Global Central Bank Gold Purchases 2010-2024

Download



Source: World Gold Council

Payment Process from August 2023



Issues:

- **Key** for Funds Wallet, **Key** for Payments Wallet
- Who Keeps/Sees **Ledger**?
- Is each CBDC Unit “**Fungible**?”
- Access Protocols for **Tier** Amounts

- Online/**Offline** Transactions
- **Signatures** for Each Wallet
- **Programmable** Units
- **Who** Holds Balances? You/Bank?

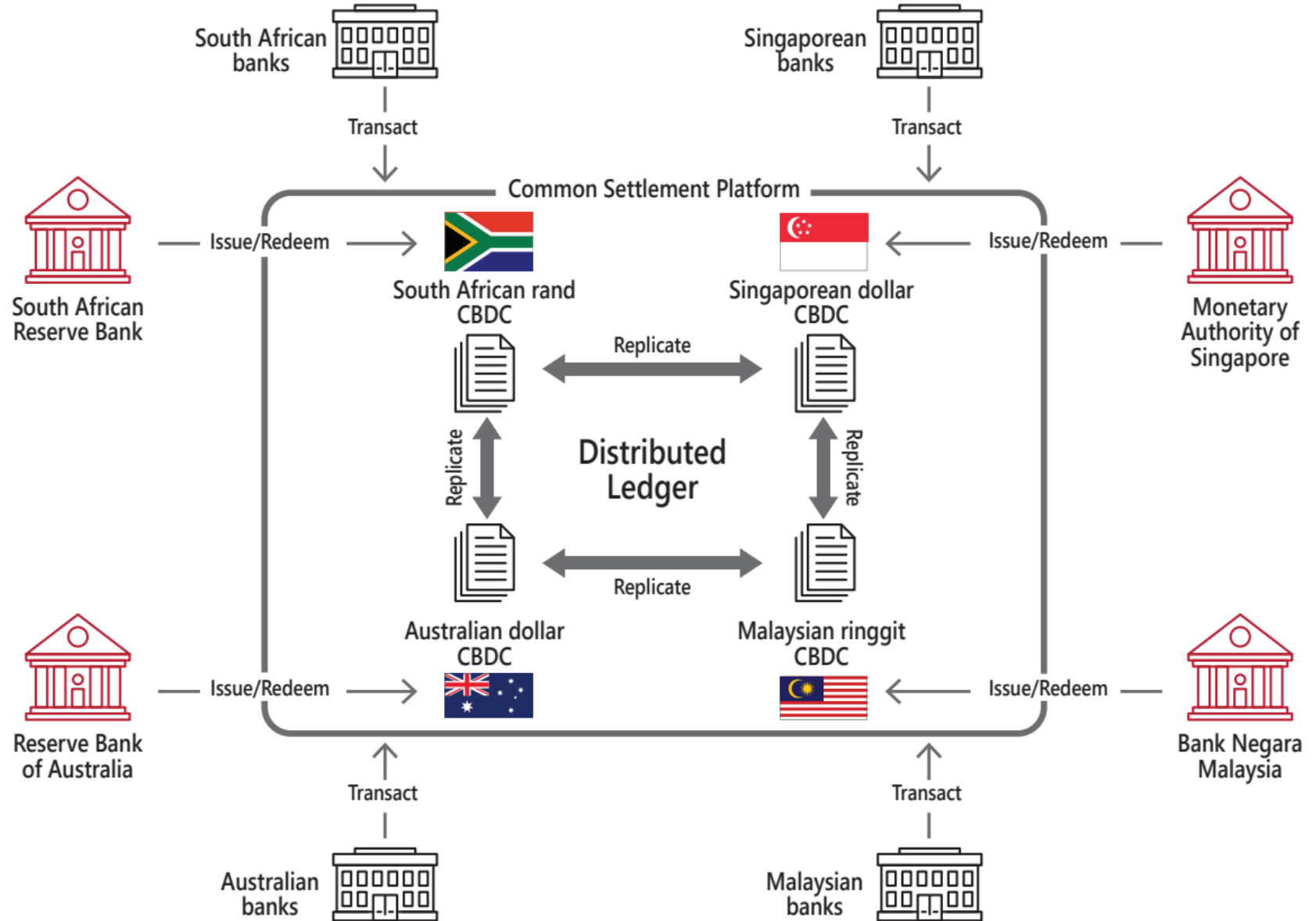
Figure 5: multi-CBDC platform

13 CBDC Cross-Border Projects--

Project Dunbar
Central Banks of:
Australia, Singapore,
Malaysia, and S. Africa

All Banks Will Hold
All Currencies for a
Time

- Tokenized Payments
- Perhaps Stablecoins



Problems with Cross Border CBDCs

Message Formatting

Liquidity

Interlinking Payment Systems

Governance & Regulation

Technology:

~Architecture

~Infrastructure

~Security

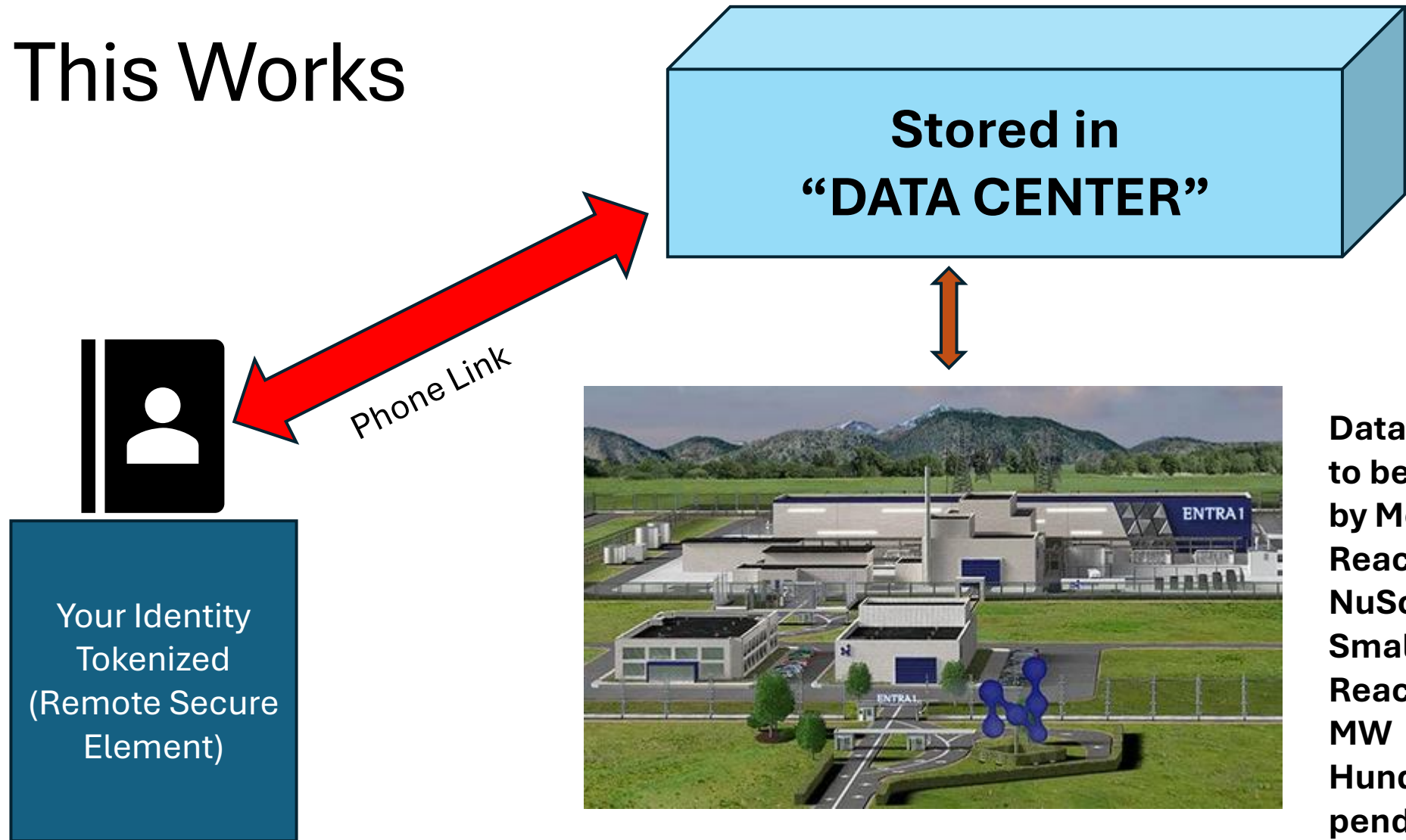
European Union Digital Identity System *-All of Your Everything.....Now in Pilot*

***“The Right of every person eligible for a national id card to have a digital identity that is recognized anywhere in the EU”
World Wide Web Consortium (W3C)***



**Completion Date-
2026**

How This Works



**Data Centers to be Powered by Modular Reactors-
NuScale Corp
Small Modular Reactor 50-300 MW
Hundreds of pending applications at NRC.**

Dept. of Homeland Security- Grants to Establish Nationwide Digital Wallets



1. **Credence ID**- CA firm- Identity Standards- Globally Acceptable
2. **Hushmesh**- VA firm- Cryptography- Globally Acceptable
3. **Netis d.o.o.**- Slovenia: Verifiable Credential Data Model
4. **Procivis**- Switzerland: Private Credentialing
5. **SpruceID**- NY firm: Interoperability Across Finance, Healthcare, Anti-fraud, Cross-border applications.
6. **Ubiqu**- Netherlands Firm: Supports W3C Stds –In EU Digital Wallet

Going on NOW

World Wide Web Consortium (W3C), a global standards development organization used by EU Digital Wallet.

“openly developed standards that are globally acceptable, highly secure, and accessible to all.”

Dollar Stable Coins- 2nd Step to CBDC

- FIRM Act- “Financial Integrity and Regulation Management Act”
Purpose to regulate banks and prevent de-banking.
- **GENIUS Act Advances in Senate- Mar 2025.**
“Guiding and Establishing National Innovation for U.S. Stablecoins Act”
 1. 91-page bill- Pros and Cons
 2. Defines Who May Be Stable Coin Issuer
 3. Need for Regulations



Key Points of GENIUS Act

Purposes:

1. Create nonbank, federally qualified stable coin issuers that are subsidiary of banks.
2. Issuance must be based on:
 - a. U.S. Coin & Currency
 - b. Treasury Bills, Bonds,
 - c. Securities, Mutual Funds
 - d. Repurchase Agreements
 - e. Other Federal Assets



“Monetizing Assets in the Next 12 Months”

Scott Bessent, Treasury Sec.

- Gold?
- Crypto?
- Gold Still Valued At \$42. “U.S. Holdings” + 8,133 tons.

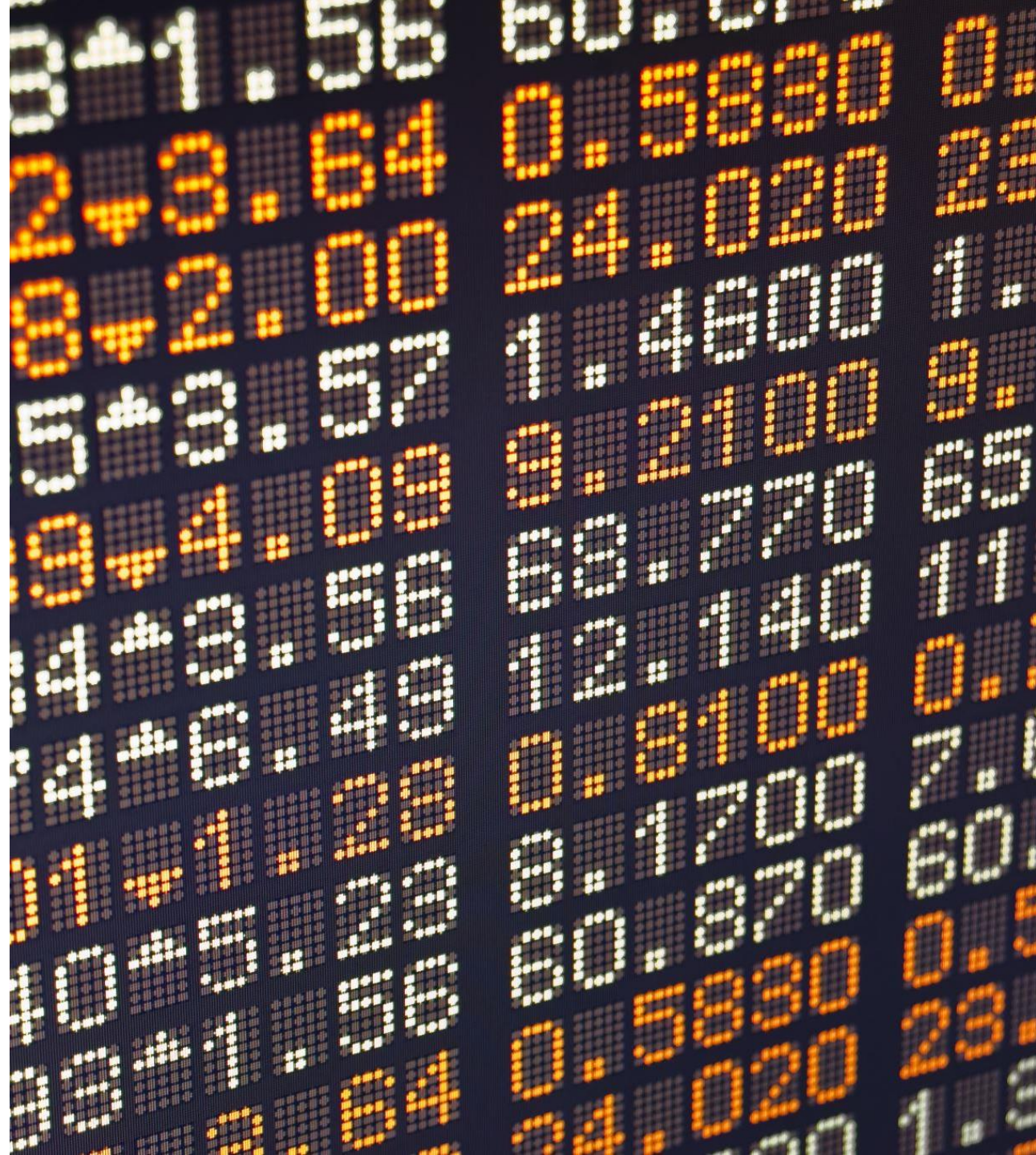
261 million ounces

Debt =

$\$37,000,000,000,000 / 261,000,000$

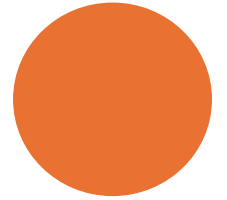
$0 = \$141,000 / \text{oz} = \text{Au Value}$

- Cannot Open Ft. Knox.....



“Strategic Bitcoin Reserve & United States Digital Asset Stockpile”

- March 6, 2025- Trump Executive Order
- 200,000 Bitcoin from seized assets/forfeitures- \$17 billion
- Other crypto assets like XRP, Tether, etc...
- Not Planning to *Sell*-only to *Buy*
- New Trump Corp. “*World Liberty Financial*”- Crypto reserve fund
- Most Brokers now filing to be stable-coin issuers- Fidelity, Schwab, and Google, Amazon, etc...



Self Protection Measures- *Obvious*

1. Education
2. Food & Water
3. Energy Source
4. Silver- 1 oz or 90% Ag coinage
5. Gold (Can buy both locally with low premium and no paper trail)
6. Liquor- Trade & Medicinal
7. Keep Some Cash at Home
8. Change Car Insurance
9. Change Homeowner's Policy
10. Move \$ in > \$250,000
11. Get Ahead on Meds- Prescriptions
 - a. Can you skip a day here & there?
 - b. Research cheaper drugs
 - c. Single Care/Good Rx?

FDIC Insurance - Single Account

EXAMPLE 1: Single Account

Account Title	Deposit Type	Account Balance
Marci Jones	MMDA	\$15,000
Marci Jones	Savings	\$20,000
Marci Jones	CD	\$200,000
Marci's Memories (A Sole Proprietorship)	Checking	\$25,000
Total		\$260,000
Amount Insured		\$250,000
Amount Uninsured		\$10,000

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

Self Protection Measures- Less & Not Obvious

Less Obvious

- Check your Accounts Weekly
- Withdraw Cash= < \$2,000
- Freeze Credit Where Possible
- Use VPN Security When Online
- Keep Credit/Debit Records
- Check 3 Credit Bureaus Weekly

Not Obvious At All

- Sign Up for Free Bank Fraud Alerts
- Sign Up for Free “Spoken Password” on Accounts
- Sign Up for FDIC Bulletin
- Check Uniform Bank Performance Reports

Remember the Adaptability Mindset and
Keep the Faith

References

1. Boccia, R. *The Social Security Trust Fund Myth*. (2024, November). Cato Institute. <https://www.cato.org/policy-analysis/social-security-trust-fund-myth#>
2. BRICS Portal. (2025). <https://infobrics.org/post/43730/>
3. Bureau of Labor Statistics. (2025). CPS Response Rates. Department of Labor. https://www.bls.gov/cps/methods/response_rates.htm#CPS_response_rates
4. *Complete Measures of U.S. National Debt*. (2025). Penn-Wharton Center, University of Pennsylvania. <https://budgetmodel.wharton.upenn.edu/issues/2025/1/27/complete-measures-of-us-national-debt>
5. European Union. (2025) Digital Identity Wallet. <https://ec.europa.eu/digital-building-blocks/sites/display/EUDIGITALIDENTITYWALLET/EU+Digital+Identity+Wallet+Home>
6. Federal Deposit Insurance Corporation. (2023). *Options for Deposit Insurance Reform*.
7. Executive Order 14030. <https://www.federalregister.gov/documents/2021/05/25/2021-11168/climate-related-financial-risk>.
8. Federal Reserve Board. (2023). *Pension Fund Holdings of U.S. Treasury Bonds 1990-2023*.
9. Federal Reserve Board of St. Louis. (2018). The ABCs of CAMELS. <https://www.stlouisfed.org/on-the-economy/2018/july/abcs-camels>
10. Social Security Administration. (2023). Actuarial Status of the Social Security Trust Fund <https://www.ssa.gov/policy/trust-funds-summary.html>
11. U.S. Department of Labor (2024). State Unemployment Insurance Trust Fund Solvency Report. <https://oui.doleta.gov/unemploy/docs/trustFundSolvReport2024.pdf>
12. World Gold Council. (2023). 2023 Central Bank Gold Reserves Survey. <https://www.gold.org/goldhub/research/2023-central-bank-gold-reserves-survey>
13. World Wide Web Consortium. (2025). Web Standards. <https://www.w3.org/standards/>