✅ WEEK 1: The System Wasn't Built for You — So Build Your Own

🎯 Learning Objectives

- Explain what fiat currency is and how money is created
- Understand how inflation silently steals your wealth
- Realize why saving alone will not make you rich
- Begin tracking your own spending to expose blind spots

🔍 Let's Break It Down

💵 What Is Money?

Money is a tool—it represents value in exchange for your time, skills, or goods. Today's money (U.S. dollars, for example) is called **fiat currency**—it's not backed by gold or silver. Its value comes from trust in the government and economy.

🏦 Where Does Money Come From?

Most people think money only comes from hard work. But the truth is:
Banks create money when they loan it.
When you borrow $10,000, the bank creates that money digitally—it didn't exist before. This system depends on debt and repayment.

📉 What Is Inflation?

Inflation means the prices of goods and services go up over time. So, $100 today might only buy you what $70 used to get a few years ago.
It's like a **slow invisible tax** on your cash.

Example: In 2000, a gallon of milk was ~$2.79. In 2024, it could be $4.50.

🧠 Real-World Example:

You save $10,000 in a bank earning 0.5% interest. In 10 years, you have ~$10,500.
But if inflation was 3% per year, your money actually **lost** value. It now buys what ~$7,400 used to.

Saving = safety but **Investing = growth**
If you don't outpace inflation, you're going backward.

✍️ Guided Activity

1. Think back 5 years. What's something you bought for less that costs more now?
2. Check your bank's interest rate. How does it compare to inflation today?
3. Have you ever lost money by "playing it safe"?

🧠 Mini Glossary

- **Fiat Currency**: Government-issued money not backed by gold/silver
- **Inflation**: The general increase in prices over time
- **Compound Interest**: Interest that earns on itself over time
- **Credit Score**: A number reflecting your trustworthiness as a borrower

🧨 Weekly Challenge

Track every dollar you spend this week. Use a notebook, app, or spreadsheet. Label each as:

- **Need**
- **Want**
- **Trap** (emotional or regretful spending)

🗣️ Journal Prompt

"What does money mean to me right now—and how did I form that belief?"

✅ Recap

- The system rewards those who **own assets**, not just save money
- Inflation quietly robs you if you're not investing
- Banking creates money through lending
- Saving isn't bad—but it's not enough to build wealth