

# ***Its Like a Game of “Monopoly”***

*How the U.S. economy is like a game of “Monopoly”*

Basically the U.S. economy is made up of two financial sectors. These are the consumer sector and the investment sector. They essentially run independently. Money can flow from the consumer sector to the investment sector as people save and invest for retirement. With such savings being rather difficult to do, money does not often flow back the other way.

Once the savings and investments are made they, for the most part, stay in the investment sector until that person retires. With these two financial sectors being rather independent of each other, when one of these sectors is drained of money, the other sector does not “come to the rescue”.

Now lets imagine that the U.S. economy is a game of Monopoly. As we are playing the game we find that there is someone off to the right side that is taking money “off” the board every few minutes. (*This is like our trade-deficit money that we send overseas to pay our foreign suppliers for our trade-deficit goods.*). Unless something is done, the game would soon be over as we ran out of money to play the game.

Then someone comes along on the other side of the board and tells us that “*You guys seem to really enjoy playing this game, why don’t I loan you some more play money to keep the game going ? Then when the game is over you can pay me back, with interest, in real money*”.

The person that “came to the rescue” would be like the Federal Reserve Bank loaning our government the trillions of dollars that are accumulating into our monstrous Federal Debt.

In terms of this analogy, if we didn’t have that person taking the trade-deficit dollars “off” the board, we wouldn’t need to be borrowing all of that other “play” money from the Federal Reserve guy. At the end of this imaginary game of Monopoly we would be wishing that we had never been playing that game.

This is an imaginary foretaste of the game that we are naively busy playing by replacing our lost trade-deficit dollars with the massive borrowings from the Federal Reserve Bank. It appears that nobody is putting this “two and two” together. Many of our leaders are worried about our government’s over-spending, but no one seems to realize that we must have a budget deficit at least as large as our trade deficit to replace the dollars that we send overseas every year.

Without replenishing our consumer sector money supply with deficit spending, our economy would soon “grind down” to a serious depression just like the game of Monopoly. As much as our leaders do not want to discuss this relationship between our over-spending and our trade deficit, it is an absolute necessity that we face the reality of this fact. Without eliminating our trade deficit we will never be able to achieve a balanced budget and have a well functioning economy. For an effective way to eliminate our trade deficit see the three videos on our website, “[www.newhopeforamerica.org](http://www.newhopeforamerica.org)”.