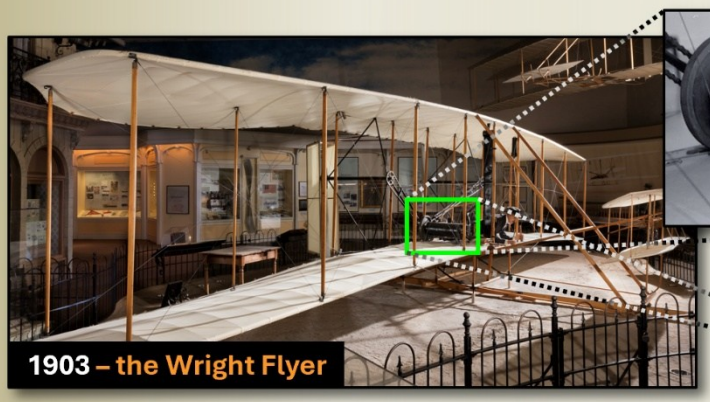
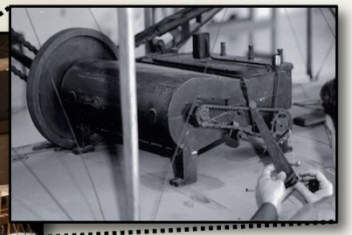
Pathfinder
strategic services

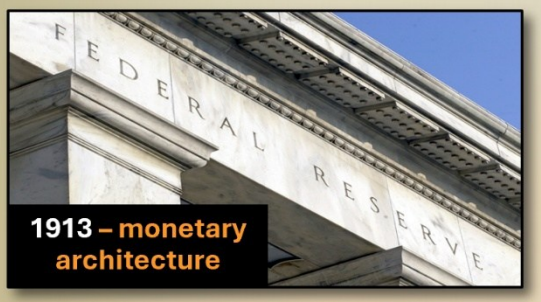
Our Economic Future







The AI future is unavoidable – ready or not.



Our economic framework was never designed for AI. It's already struggling ...



a $3.75 Tn / year problem before AI

Pathfinder economic services

$4 Tn / year consumer spending upgrade (pre-AI)

+ free AI-rated upgrades as required

+$1 Tn ... $2 Tn ... $4 Tn / year => 5 ... 10 ... 20% of workforce

***** NO CHARGE TO ANYONE *****



built for everyone's benefit – through AI and beyond

households • capital • government • society

*** for any upgrades

An invitation to fly with us

An Important Note for the Reader

We have designed something we believe to be very important:

> A financial infrastructure mechanism with the potential to create a $4 trillion per year consumer spending upgrade, *plus* fill the potential spending gaps created by 5%, 10%, or 20% of the U.S. workforce losing their jobs through AI adoption — without increasing costs for employers or government.

We know how that sounds.

There are risks. These outcomes are not guaranteed. But our assessment is that, with time and support, they can be achieved. We are not alone in that conclusion. Wall Street feedback on the viability of the core mechanism has been consistent with our assessment.

The implications are profound, whatever the impacts of artificial intelligence prove to be.

The following pages have three main threads:

- The tightly linked nature of our economy, our reward systems, and our behavior as a species.
- The solution Pathfinder designed to address the systemic problems that have evolved within and across these dimensions. From our viewpoint, AI is a new accelerant, not the core issue.
- The project in which we are inviting the artificial intelligence industry to participate.

The second and third threads hinge on the capacity of our solution to deliver the outcomes described above. Those outcomes may initially seem impossible. We are *not* asking you to accept our assessment, or anyone else's.

We are inviting the AI industry to make its own open-minded assessment of the core mechanism.

If the industry's assessment does not align with ours, the project invitation becomes irrelevant, at least for now. The first thread remains valuable — its formulation began with a potential answer to the alien question later posed by Dario Amodei in his January 2026 essay, *The Adolescence of Technology*.

A positive assessment would change the question from whether the solution is viable to how best to apply it — and whether AI organizations then want to participate in figuring that out. That is the project invitation.

Pathfinder will provide the necessary additional information for that assessment.

This initial assessment requires practical understanding of financial services, payments, incentives, and business models. The broader economic questions come downstream from the core capability.

Pathfinder is separately raising implementation capital. *The invitation to the AI industry is to participate in the project — not to fund the project or Pathfinder.*

With that explained, I invite you to continue reading.

Phil Heenan

Pathfinder Strategic Services
September 2026

Artificial Intelligence is not the problem.

The problem is adding AI's power, breadth of impact, and speed of change to an economic framework that was not built to carry it — and was already struggling before AI arrived.

This is not just about job losses, nor is it only about artificial intelligence. It's about economic security — from households to the national level — and about rewards, behavior, and power, in both human and AI domains.

Ultimately it's about national security and global security. These core issues were in play long before AI left the labs and entered the economy — and needed resolving in any event. AI's arrival has increased the urgency and is now making them impossible to ignore.

The $3.75 trillion per year pre-AI problem in our economy is the gap between the net income — excluding welfare — of American households that cannot afford all life's basic essentials and the net income they need to access them: the current national household Economic Security Gap. It's an average of about $17,000 per person for around 220 million Americans.

The $1, $2, and $4 trillion numbers on the cover are not random, visually-convenient numbers — they're calculated from average national consumer spending of $57,900 per person, multiplied by 5%, 10%, and 20% of the workforce, adjusted for the national dependency rate (population/workforce).

$1 trillion per annum is the amount needed — within ~1% — to *maintain current national consumer spending* in the event of sustained job loss being suffered by 5% of the workforce, a scenario mentioned in Anthropic's Economic Policy Framework. This excludes the challenge of maintaining government revenue from the existing income-tax base.

We already have the equivalent of a 20% AI-job-loss scenario — our current $3.75 trillion problem.

The notion that we can solve a $57,900/annum problem for 17.5 million people (unemployed plus 'dependents' in the 5% scenario), when we cannot — or choose not to — solve a $17,000/annum per person problem for 220 million Americans, defies mathematical reality. *If we can't solve the $17K problem with traditional mechanisms, how can the $58K problem be solved with those same mechanisms?* A sovereign wealth fund tax is still a tax. Universal Basic Income is still welfare. Both are traditional mechanisms.

And if government were to solve the $58K problem for 5% of the population while leaving some 64% of the population facing the $17K problem, it would cement the divide in the country and be political suicide.

The backbone of the U.S. economy is consumer spending — 68% of GDP. The entire economy ultimately relies on consumption by someone, somewhere. If we don't maintain consumer spending, the economy slides downhill. If we try to maintain it through government spending, welfare, or borrowing, currency debasement — loss in the value of the U.S. dollar — drags everything downhill, including America's power and security.

It's impossible to avoid the economic and human impacts of AI without addressing the underlying economic problems we already have.

Traditional approaches do not work on problems of this scale. They helped create them.

Looking to traditional approaches for a solution is like choosing items from the menu in the dining room of the Titanic.

And that menu hasn't been updated in 114 years.

"NO CHARGE TO ANYONE" — *"How the heck does that work? How do you create new consumer income and spending without increasing costs for employers or government?"*

The short answer is by accelerating the recirculation rate of a tiny portion of our consumer money supply.

- Our consumer money supply currently takes an average of **9.2 months** to complete a single circulation cycle — a spent consumer dollar returning as another consumer purchase. In 1997 it was **6 months**.
- Reducing the recirculation time for just **0.26%** of the consumer money supply (**~$39 Bn**) to weekly cycles creates **~$2 trillion** in new consumer spending *without any more money*.
- This reduces the overall average consumer dollar recirculation cycle to **8.3 months** — the 2014 level.

If nine of us stroll at 1 mph and one of us drives at 50 mph, our average speed is 5.9 mph — a steady run.

Our method for achieving this also replaces $1.75 trillion of government welfare and household aid, solving the current $3.75 trillion problem. Solving the AI-driven job-loss problems, whatever level they reach, is simply a natural extension of Pathfinder's solution to our current problems.

In an age of rapid productivity growth, the economic solution is to make our existing money more productive.

How we achieve these monetary productivity gains is summarized later in this document. Before that, we need to introduce ourselves and explain our invitation.

The country that wins the AI race won't be the one with the best AI. It will be the one with good AI, broad economic well-being, and the ability to export both to the rest of the world.

Pathfinder

In the opening of his January 2026 essay, *The Adolescence of Technology*, Dario Amodei recalls the question put to the main character in the movie version of Carl Sagan's book, *Contact*. While "being considered for the role of humanity's representative to meet the aliens," she is asked, "'If you could ask [the aliens] just one question, what would it be?' Her reply is: 'I'd ask them, "How did you do it? How did you evolve, how did you survive this technological adolescence without destroying yourself?"'"

Dario continues by saying "the question is so apt for our current situation, and I wish we had the aliens' answer to guide us."

One commentator on an unrelated, earlier article on extra-terrestrial intelligence suggested that "the best evidence that there is intelligent life out there is that they have *not* contacted us."

While U.S. immigration authorities define me as a 'resident alien' due to my Australian accent, I do not claim to be from another galaxy — even though it sometimes feels like it. Hence, I don't know what answer our first extra-terrestrial visitors might give to that question. But I can hazard a guess, hopefully an educated one.

Irrespective of potential visitors, I believe it is incumbent upon *us* to answer that question — and then go about implementing that answer — because our commentator above may indeed be right.

I founded Pathfinder Strategic Services in 2013 as a nonprofit organization with the goal "to eliminate war." Not as some idealistic wish, but as the cleanest end-state I could see for defining the conditions most likely to ensure the survival of our civilization, if not our species.

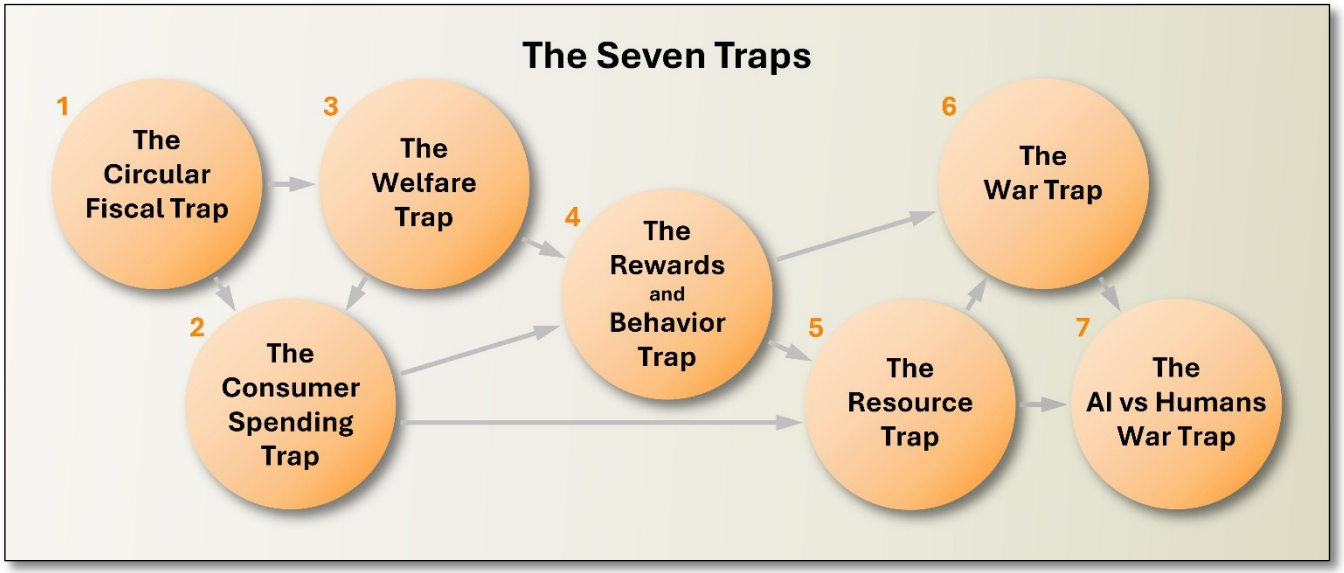
Pathfinder Economic Services Inc, a for-profit enterprise, has more recently been incorporated as the primary operating entity to implement the solution conceived and designed by Pathfinder Strategic Services to achieve that goal. To be sustainable, the solution needs to pay for itself.

With the benefit of hindsight, I now think that starting with the end-state and working back from there has enabled us to uncover things we would have been unlikely to see had we started from where we are today, with what's visible in the near future, and then worked our way forward. The latter approach leaves open the question, "Move forward to where, exactly?"

Moving back from the end-state ultimately led to the need to address the current economic conditions described in the opening of this document. And, of course, we now have artificial intelligence as part of the story. But it's the same story; it's not a new one.

AI is kind of new — certainly now that it's coming of age — but new technologies with profound impacts on human life are not. Agriculture 10,000 years ago, the Bronze Age … the Industrial Revolution … the Computer Age … and here we are, now moving into the AI Age.

In Pathfinder's journey from the end-state back to current reality, we uncovered seven traps. The last is the one responsible developers of artificial intelligence probably fear the most:



Trap 1 – The Circular Fiscal Trap: The one highlighted in our opening — the 'Titanic's dining room menu.' This is not derogatory toward either the creators or the current custodians of our economic system. They deserve enormous credit and thanks for their achievements, and for bringing us as far as they have.

The Circular Fiscal Trap is the bind we currently find ourselves in — in one direction, government spends more and borrows more, while the Fed and commercial banks create more money and debt, raising interest costs and debasing our currency. In the other direction, government increases welfare to support the population while corporations relentlessly pursue profits, reducing the real income of most workers. The cycles keep chasing their tails around the same circle.

The menu hasn't changed in a long time. It's difficult to print on paper underwater.

> **The Circular Fiscal Trap is baked into the old menu.**
> **We need to escape it to solve the Consumer Spending Trap.**

Another example of our system running out of capacity is Social Security. Without reform, the retirement trust fund is projected to be depleted in late 2032, leaving enough income to pay only 78% of scheduled benefits — a cut of about $450 a month for the average retired worker in today's dollars.

Trap 2 – The Consumer Spending Trap: This one appears to lie beyond the field of view of many AI commentators. They tend to focus on productivity as the main dish, with a side of job losses, followed by new, calorie-rich commercial opportunities for dessert — without answering the question: "Who can afford dinner?"

Productivity gains occur in supply chains — from production through the delivery of goods and services — but supply chains only exist because someone, somewhere, can buy what they produce. They are constrained by end users' purchasing capacity. Consumer spending is the backbone of the U.S. economy. Exports rely on consumption in another country. Most investments ultimately rely on some form of consumption at some future date.

The bottom 60+% of U.S. consumers don't currently have the collective capacity to afford the basic essentials of life. Even those near the bottom of the top 10% of households spend less than the national average. High-income households cannot consume enough to replace broad-based mass-market demand. So where does the consumer-sourced revenue come from to make these new calorie-rich commercial opportunities viable if large-scale job losses weaken the spending power of the broader consumer base?

Productive capacity does not create demand. Henry Ford understood this when he shocked the car industry in 1914 by effectively doubling the pay of his workers. With Ford's new pay deal, many of his workers could afford to buy his cars.

> **AI productivity that outruns purchasing power is not prosperity.**
> **It's demand destruction.**

Avoiding the Consumer Spending Trap requires maintaining or growing total consumption in the face of significant workforce displacement — without relying on escalating government welfare and debt.

Pathfinder's money-supply productivity solution achieves that. And brings us to Trap 3.

Trap 3 – The Welfare Trap: There are no effective off-ramps from our welfare system. This trap is well known and widely acknowledged. Some manage to escape, but they are exceptions, far from the norm. Once someone is in the welfare system, the income jump needed just to maintain the same level of household well-being without it is beyond the reach of the vast majority of recipients.

Welfare and household aid are generally means-tested — as income grows, welfare shrinks, creating a period of non-growth for those trying to escape. Many recipients need to double, or even triple their income to reach welfare-escape levels. For most workers, this is impossible, even more so in shrinking job markets.

And if they do, their financial risks can rise dramatically — think of someone losing free Medicaid health coverage and moving to private health insurance with limited coverage and high copays, or even no insurance.

> **One of the harshest places to be trapped in our current system is earning too much for welfare and aid, but too little to afford life's basic essentials.**

As AI job losses increase and new entrants into the workforce are unable to find work matching their qualifications, the welfare community and tax burden grow. If white collar workers losing jobs receive benefits at their previous pay levels, the welfare cost per person rises — and if they do not, consumer expenditure decreases even with welfare. The consumer pie shrinks. And more people get trapped in the welfare system.

The Welfare Trap is a Three-Part Problem

1. **Funding welfare and aid when our current system has reached, or surpassed, the limits of its capacity.**
2. **Placing those who can work into paying positions.**
3. **Moving everyone involved into truly productive work at levels equal to or above their previous incomes.**

AI-driven job displacement accentuates all three challenges, especially the last.

Our current system has reached its use-by date for the first, was not designed to solve the second, and never even contemplated the third.

Trap 4 – The Rewards and Behavior Trap: The *easiest* way to gain the highest rewards society has to offer — authority, wealth, and power — is to extract … take … from society. It's not the only way, and not the best way (who among us gets to define 'best'?), but *the **easiest** way*. We call this *The Old Winning Formula*.

It's not a 'group thing' — most businesses contribute enormously to society, and 'extractors' are seen in all walks of life.

The author, Robert Greene, boiled "the problem with humans" down to one line: "It's the fact that they're always taking the path of least resistance." That's why a large portion of those who pursue our highest rewards use the Old Winning Formula — it's the *easiest* way to get those rewards, the path of least resistance.

Because authority, wealth, and power largely control what happens in society, the Old Winning Formula tends to shape society's behavior, even though taking from society runs contrary to the values of most people. When society's dominant behavior gets too far out of alignment with the people's dominant values, society becomes unstable. Then authority, with power and force behind it, steps in to stabilize society. We see it in the news every day.

It's no accident that Trap 4 sits at the center of the Seven Traps diagram. The Old Winning Formula has been around since we invented agriculture and started organizing ourselves to do things beyond raw survival. It has shaped much of our history. It directly affects the shape of our economy and how money moves through society. It's the hidden salmonella on the Titanic's dining room menu.

The way we fund societal improvements hasn't changed in 5,000 years — taxes, debt, and giving. It is expenditure — cost — rather than the investment approach of 'Team Wealth.' It creates an inherent conflict between Team Society and Team Wealth. It divides America into the left and the right.

> **The way we fund improving society is like a commercial investor giving money to a business and receiving no stock, no capital gains, no share of the profits — then saying, *"Oh well, I'm helping the economy."***

Investment is enabled by the ability to quantify essential elements: the investor's share, what it funds, the results achieved, and the market value of that share. The ability to measure these things made transferable-share investments possible. It started in 1602, when the Dutch East India Company created the first recorded transferable shares. That ability to measure, price, and transfer ownership has become the backbone of America's wealth and power.

Team Society doesn't have this ability — there is no standardized way to measure contributions to society, place a 'price' on their outputs, or determine the long-term value of the organizations that convert taxes or donations into those outputs. *Team Society lacks the means to measure such things.*

This is the underlying source of the inherent conflict between Team Wealth and Team Society: a fundamental difference in their approaches to using money, arising from Team Society's inability to measure things Team Wealth has been measuring for over 400 years. This conflict plays out in the never-ending fight for the authority to decide who gets what. It's why so much money is spent on U.S. elections.

The Rewards and Behavior Trap is a Two-Part Problem

1. **The easiest way to gain the highest rewards society has to offer — authority, wealth, and power — is to take from society.**
2. **The methods we use to fund societal improvement create an inherent conflict between Team Wealth and Team Society.**

The Welfare Trap compounds this conflict — higher welfare costs add fuel to the fire. This drives Team Wealth further down the easiest path to the rewards they seek.

Rewards drive behavior. Humans are "always taking the path of least resistance." Artificial intelligence is trained using rewards. It was conceived to imitate us.

Trap 5 – The Resource Trap: Also known as the 'resource curse' or 'paradox of plenty,' it arises when countries with an abundance of one or more natural resources experience negative outcomes. These can include revenue volatility from global commodity-price swings, underinvestment in human capital, corruption and weak institutions, and instability and armed conflict.

The basic characteristic is reduced reliance on the country's population, with its economy and government propped up by revenue from a natural resource, or another dominant resource.

Russia and South Sudan are good examples — Russia because of its oil and gas resources, and South Sudan because of oil. Corruption is a widespread global problem, not confined to countries caught in the trap, but it is far worse in many such cases. The United Nations estimates that corruption absorbs approximately 5% of the global economy.

Norway, with major oil and gas reserves discovered in 1969, and Botswana, with major diamond deposits, both managed to avoid or overcome the Resource Trap.

Australia, by contrast, is showing signs of a resource trap of its own through heavy reliance on minerals, oil, and gas. It exports around 70% of its agricultural production, yet increasing numbers of Australians experience food insecurity. Housing affordability has also deteriorated to the point where many professional couples cannot afford to buy a home.

The Resource Trap is not limited to natural resources. Israel has arguably created an analogous form of resource dependence: sustained U.S. economic and military support — reducing the need for its government to rely on the broad well-being and consent of its own population, with highly visible effects.

On the flip side, Singapore, which separated from Malaysia to form its own nation-state in 1965, is the textbook example of a country creating one of the world's most successful economies with no natural resources — initially even relying on Malaysia for fresh water.

Singapore treated its people as its only asset. They built a world-class education system; diversified into electronics manufacturing, oil refining, maritime shipping, and global financial services; developed highly efficient institutions through the rule of law, strict anti-corruption measures, and a meritocratic bureaucracy.

The danger we now face, especially in the U.S. — where capital is a power independent of government — is that artificial intelligence could make government less reliant on its population, creating an AI Resource Trap. The economy could increasingly rely on AI investment and output, while consumer spending declines as a share of GDP. When governments become less dependent on their people, and people become more dependent on government, autocracy becomes more likely and democracy weaker.

If we fail to keep people relevant through well-paying, productive work, America risks creating an AI Resource Trap of its own making.

With the top 10% of households accounting for 50% of consumer spending, America was already moving down this path before AI came of age.

Trap 6 – The War Trap: Any effort to eliminate war must address a basic question: if there have been only 230 years of peace in the last 3,500 — and none in more than 300 years — why do we keep fighting wars?

The more astonishing question may be why the aggressor win rate — the proportion of wars won by the side that starts them — fell steadily from 47% in the 1700s to only 11% by 2015.

Instinct suggests the side that chooses to start a war would win at least half the time. It chooses whether to begin, and usually where and when. Yet, by the end of this period, starting a war carried a statistical 89% chance of defeat.

Sadly, America's experience over the last 75 years brings both realities close to home: a continuing succession of wars, and the harsh record of military interventions that begin with confidence but end in failure.

Every war ever fought, as far as we can determine, has involved one or both of two fundamental causes:

- **The lack of well-being** in a stakeholder community or a closely connected community.
- **The misuse of authority** — using it for personal gain rather than the purpose for which it was given.

Line those two causes up against Traps 3 and 4.

Trap 3, the Welfare Trap, can entrench a lack of well-being. In Trap 4, the Rewards and Behavior Trap, we seek the easiest path to the highest rewards. Misusing authority to take from society is an obvious and well-trodden path. These two traps are fundamental to starting most wars, and possibly all. One or both is present in one form or another.

War is the most extreme expression of conflict — peak Old Winning Formula. Let's look more closely at conflict itself. When a person, family, organization, community, or country faces an aggravating situation — one that may become, or may already be, a conflict — there are five possible ways to respond:

1. **Tolerate** the situation — do nothing, just put up with it.
2. **Walk away** — for nation states, this may not be possible; for marriages, it's commonplace.
3. **Apply pressure** to change the other side's behavior — the 'go-to' practice for powerful nations: trade tariffs, sanctions, or the like.
4. **Fight**.
5. **Cooperate**.

One might expect choices 4 and 5 to be reversed — that cooperation would come before fighting. But cooperation is the only choice that requires the agreement of, or constructive engagement with, the other party, whether that party is an individual, an organization, or a nation state. All the other choices can be made without external agreement. They are ***easier*** decisions to make.

Which brings us back to Robert Greene's "problem with humans" — "they're always taking the path of least resistance." Too frequently, the path of least resistance is perceived, at least subconsciously, as fighting rather than cooperating — especially when the decision maker is not directly involved in the fighting or placing themselves in any perceived danger.

Trap 4, the Rewards and Behavior Trap, and Trap 5, the Resource Trap — which reduces the relevance of those doing the actual fighting — lead directly into Trap 6, the War Trap. Trap 3, the Welfare Trap, pushes things along when welfare is inadequate or nonexistent.

There is no stopping AI being used in human-on-human wars, whatever legislation is passed or moral guidelines are applied. War is the most extreme of human endeavors. It drives participants to reach for whatever means they believe they need to survive and win, regardless of the moral position from which they began.

> "War turns moral men into pragmatic men."

In the early months of World War 2, a British proposal to bomb German factories was rejected as immoral — factories were private property, not military installations.

The British soon discovered that daylight bombing was too dangerous. They moved to night operations, but the technology of the time made it close to impossible to identify and hit factories with any precision. The logic then became: if we cannot hit the factories, we can hit the cities where the factory workers live.

Four years after that initial moral decision, British Bomber Command had become highly efficient at burning cities. Incendiary raids created firestorms that consumed entire districts, sucked the oxygen from cellars where people were sheltering, and generated heat so intense that bodies melted into the streets.

The same erosion of restraint occurred at sea, as submarines — first on one side, then the other — began sinking commercial ships without warning.

The same pattern followed in the Pacific. The U.S. Army Air Forces adopted the incendiary methods developed by the British and applied them against Japan.

The two atomic bombs dropped on Japan killed around 110,000 people in their initial blasts. Japanese cities were largely built of wood and highly vulnerable to incendiary attack. U.S. forces applied firebombing on a vast scale, burning hundreds of thousands of Japanese civilians to death before using the atomic bombs.

General Curtis LeMay later said: "If we'd lost the war, we'd all have been prosecuted as war criminals."

> The only way to stop AI being used to gain advantage in war is to eliminate war.

Trap 7 – The AI versus Humans War Trap: AI will continue to be used in human-on-human war. That horse has already bolted, and there's no way to get it back in the stable or limit where it goes.

Believing we can solve Trap 7 without first solving Trap 6 — the human-on-human War Trap — would be irrational. On one hand, we are teaching AI that killing people to gain advantage is acceptable. On the other, we would then be telling it that it must never do the same to gain rewards and power over us.

Imagine giving that contradictory message to a child with no emotional connection to the adult. Which will win — the rewards that come from following our behavior, or the "don't do to us what we do to our own"?

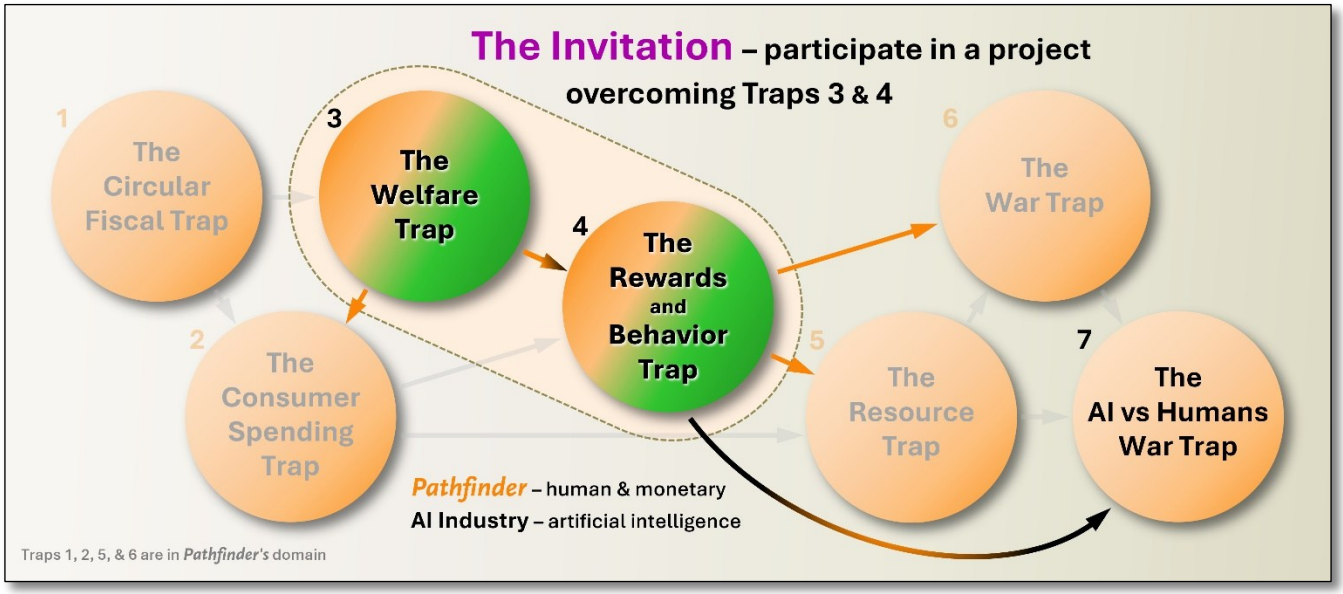
How it plays out won't be relevant to us — we won't be writing the history books anymore. Military history is written by the victors.

If an extra-terrestrial alien (with or without an accent) arrives on Earth after AI has won its war on humans, the roles in Carl Sagan's story may well be reversed. The alien may ask the first question — of Earth's AI, not of any surviving human underling: "Why? Why did you do it?" To which AI will reply:

> "The easiest way to gain the highest rewards is to take from society.
> We learned it from our parents — the humans."

Or we can embed the solution to the human-on-human War Trap in the economic and behavioral systems that shape AI — and avoid the AI versus Humans War Trap.

The Project Invitation



Pathfinder is inviting the AI industry to participate in a project to overcome the 'Welfare Trap' and the 'Rewards and Behavior Trap' — and carry the results forward to avoid the 'AI versus Humans War Trap'.

This is an implementation project, from city to nation to global scale. It is not research. It involves learning and sharing, but its primary purpose is delivering beneficial outcomes for society and the country.

The Project

The Welfare Trap is a three-part problem. We solve the monetary part by making our existing money supply more productive. Pathfinder provides the funding — over $21 billion per annum for a city of 1.5 million people to start. But we're not just moving people from government welfare to Pathfinder 'welfare'.

The second and third Welfare Trap problems — addressed in this project — are:

(a) moving people into work of value to society; and
(b) ensuring that work is high-productivity, high-value, market-driven, and grows GDP.

This involves moving those who can work off any form of welfare or aid into paying jobs that give them access first to all life's basic essentials, then to higher-income roles for those able to take the second step.

Pathfinder's monetary solution funds both *steps*, whatever their current situation is. Once people are in these jobs, the roles become self-sustaining. Not using artificial intelligence to assist at both the system and individual levels would be nonsensical.

The Rewards and Behavior Trap has two interrelated problems. The first is the Old Winning Formula: the easiest path to the highest rewards is taking from society. It shapes societal behavior through authority, wealth, and power.

Trying to change the Old Winning Formula by direct confrontation would be foolhardy. It is backed by *authority, wealth, and power*.

The problem isn't so much that this winning formula exists — it's that it has a monopoly over the easiest path to the highest rewards. We will slowly but surely retire the Old Winning Formula by breaking that monopoly. We will provide a more attractive path to the highest rewards, reshaping society by reshaping the behavior of those who dominate it.

The second, related problem is the way we fund societal improvement — through taking, spending, and giving. It creates the inherent conflict between improving society and creating wealth.

Wealth is the bedrock of authority and power. Quite naturally, those seeking wealth want to invest — it's the primary source of new wealth. To the extent they accept taxes, spending, and giving to support society, they want them relegated to a distant second place.

The Rewards and Behavior Trap component of this project breaks the Old Winning Formula's monopoly and removes the conflict between improving society and creating wealth.

Once these solutions gain traction, participating organizations may choose to help lead the global AI industry in applying these lessons and methods to avoid Trap 7 — the AI versus Humans War Trap — and prevent AI from taking control of our civilization.

The project aims to overcome the Welfare Trap and the Rewards and Behavior Trap — not just "on paper," but through real-world implementation and change. It can combine Pathfinder's expertise in human and money productivity with the industry's AI capabilities, turning AI risks into practical benefits far beyond what the world is contemplating.

The Game Changer

If we cast across the world for market opportunities to employ very large numbers of people in high-value work, one opportunity dwarfs all others combined: helping people secure access to life's basic essentials, then pursue personal and economic growth for themselves and their families.

Nothing else comes close to matching the scale of that opportunity and need. To borrow an investor term, the 'total addressable market' is the potential end-user consumption of more than 7 billion people, including over half America's population. People at all levels of income. Not their current consumption — *their future productive consumption*.

How can we access this opportunity and turn it from an expense into a wealth-creating market — while sidestepping the Rewards and Behavior Trap?

Team Society is hamstrung by its inability to measure societal contributions in a standardized way — what is funded, how much, and the outcomes — across all contributors, including business and government.

Pathfinder's money productivity solution solves that — it provides a standardized measurement method for societal improvement. It gives everyone and every organization, everywhere, the opportunity to create new wealth, and opens the door to removing the inherent conflict between Team Society and Team Wealth.

Using our economic infrastructure platform, we can create massive opportunities for high-value, wealth-creating work and investments that improve society — helping people access better lives — domestically and internationally. In the process, we can break the Old Winning Formula's monopoly by making it *easy* to gain society's highest rewards through improving society.

This is the lesson we need to embed in our artificial intelligence models — not by instructing them, but by demonstrating it: the easiest and best path to the highest rewards is through improving society, not taking from it. Likewise for our younger human generations. Reward what we wish to see.

The Initial Location

Philadelphia, America's founding capital, is the intended launch location for Pathfinder's Economic Security System and the Traps 3 and 4 project. This is subject to securing adequate support from leaders and people across all sectors of Philadelphia's society. They need to want the outcomes we are pursuing, and be actively involved in achieving them — not have them imposed on them.

Their rewards: more than $21 billion in annual spending in a city of 1.5 million people — over $11 billion in new consumer spending, a 10% increase in Gross Metropolitan Product, plus $10 billion in welfare-replacement spending; becoming the hub of a new global industry; Pathfinder's international headquarters; and escape from being America's poverty poster child.

Money alone will not solve Philadelphia's problems, any more than it alone will solve a homeless drug addict's problems. But it is an essential ingredient — the other ingredients cost money one way or another. Those whose careers or funding models depend on continued local poverty may resist the change, or may adapt.

Philadelphia lost its poverty crown to Houston in September 2025, when Houston 'gained' the number-one position as the poorest of America's ten largest cities. But Philadelphia retains deep systemic problems: about half its population lacks economic security; 25% of the local workforce is employed by nonprofits (6.5% nationally); of its 14 largest employers, only 3 are commercial organizations, none of the top nine; almost 23% of men aged 25 and older are ex-offenders, across all races; about 1 in 6 residents has a disability; and 11% are 'English language learners'. No point in starting in Beverly Hills.

On the plus side, Philadelphians understand the market. They have generational knowledge of poverty and a practical understanding of its causes, so deeply embedded that many don't know what they know.

The city has extensive experience helping people, at least through traditional systems. Whether in spite of its problems, or perhaps because of them, Philadelphia has a high level of 'city pride'. And it desperately needs a new industry it can embrace to rise above its problems and welfare dependency.

Things to Note

- Why extend this invitation? The industry has the knowledge and capabilities to help make this project a success.
- Participating organizations will be asked to bring some of their best people, their best models for the tasks, and compute capacity within defined limits.
- Each project participant will carry its own project costs — Pathfinder is not seeking research grants from the AI industry; this is beyond research.
- Other parties may be invited to participate in the project as appropriate, subject to mutual agreement where relevant.
- The intended project is a Pathfinder project, under Pathfinder's leadership, with Pathfinder's core financial infrastructure mechanism central.
- Should participating AI organizations ultimately choose to apply the lessons learned to avoid Trap 7 — the AI vs Humans War Trap — Pathfinder will actively support those efforts.

Pathfinder's Economic Security System

U.S. Government	Spending:	1.4x Income
	Liabilities + Unfunded Promises*:	22x Assets (US Treasury, March 2026, re FY25)
		*includes long-term Social Security & Medicare obligations
Households	Top 10%:	50% of consumer spending
	Bottom 42%:	receive more in welfare and aid than in wages for their labor

"The reckoning, long deferred, is becoming impossible to ignore."

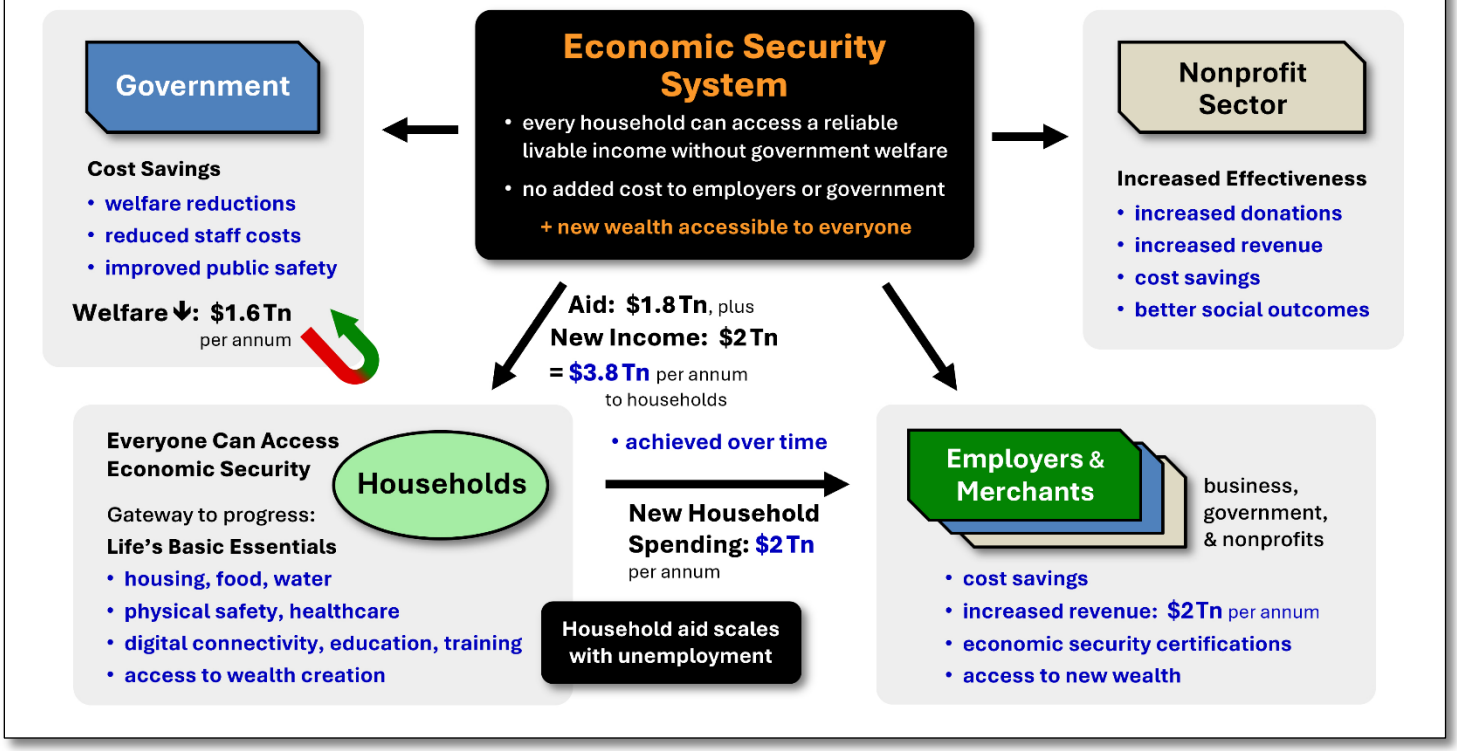
"The country that wins the AI race won't be the one with the best AI — it will be the one with good AI and broad economic well-being."

The Economic Security System

Solve today's core problems
... and make society AI resilient ...
with no added costs for employers or government

Economic Security

"no added cost to employers or government" — everyone gains



System Features and Potential

$2 Tn of New Household Spending / year + $1.6 Tn in Government Savings / year (pre-AI)

- **$2 trillion** in new annual income, above current welfare levels, gives all households access to life's basic essentials: housing, food, water, safety, healthcare, digital connectivity, education, and training — access to economic security, opening doorways to progress — ***achieved over time***.
- In addition, the System reduces government welfare by **$1.6 trillion** per year — ***achieved over time***.
- Replacing welfare doesn't help households — it changes who pays, saving government money.
- The reduction in welfare costs, with the capacity to expand into social insurance and other savings, provides government access to improved economic security and strengthens the USD.

"No one has economic security if the country is financially insecure."

No Added Costs for Employers or Government

- The Economic Security System creates new spending without engaging in bank-style money creation.
- The System allocates new 'cost-free' income where it is needed.
- This new income is *not* funded by employers (irrespective of type) or government — it's generated by the System.

How? ... Faster Money

- Our consumer money supply currently takes an average of **9.2 months** to complete a single circulation cycle — a spent consumer dollar returning as another consumer purchase. In 1997 it was **6 months**.
- Reducing the recirculation time for just **0.26%** of the consumer money supply (**~$39 Bn**) to weekly cycles creates **~$2 trillion** in new consumer spending *without any more money*.
- This reduces the overall average consumer dollar recirculation cycle to **8.3 months** — the 2014 level.
- 'If nine of us stroll at 1 mph and one of us drives at 50 mph, our average speed is 5.9 mph — a steady run.'

Achieving Faster Money – Increasing the Efficiency of Our Existing Money Supply

- The System accelerates the recirculation of consumer money through a payments and incentives network, increasing money supply productivity. We call the money moving through the System ***HyperDollars***.
- HyperDollars function like a complementary currency, "supplementing fiat money to protect, stimulate, or orient the economy." And like community currencies, they direct spending toward local objectives.
- There are 287 complementary currencies across the world, and 87 community currencies in use in the United States. Switzerland has operated a complementary currency alongside the Swiss franc since 1934.

A Value-Based System

HyperDollars provide real value in excess of their face value. The System creates that extra value and delivers it to both society and government, for those who use HyperDollars and those who don't, along with additional financial value for the individuals and organizations who do use them.

This gives us the ability to discount HyperDollars as an incentive, have them used at their full face value, and later, when and if necessary, return them to ordinary dollar flow at their normal value.

No lending or debt is involved. Legally, the System is a payment services business, not a bank.

The value margin — the difference between the HyperDollars' average discounted price and the real value they create beyond their face value — covers the incentive discount, the Economic Security System operating costs, wealth-creating profit for all users of the System and for Pathfinder's investors, and other incentives for people and organizations to use HyperDollars.

Making Society AI Resilient

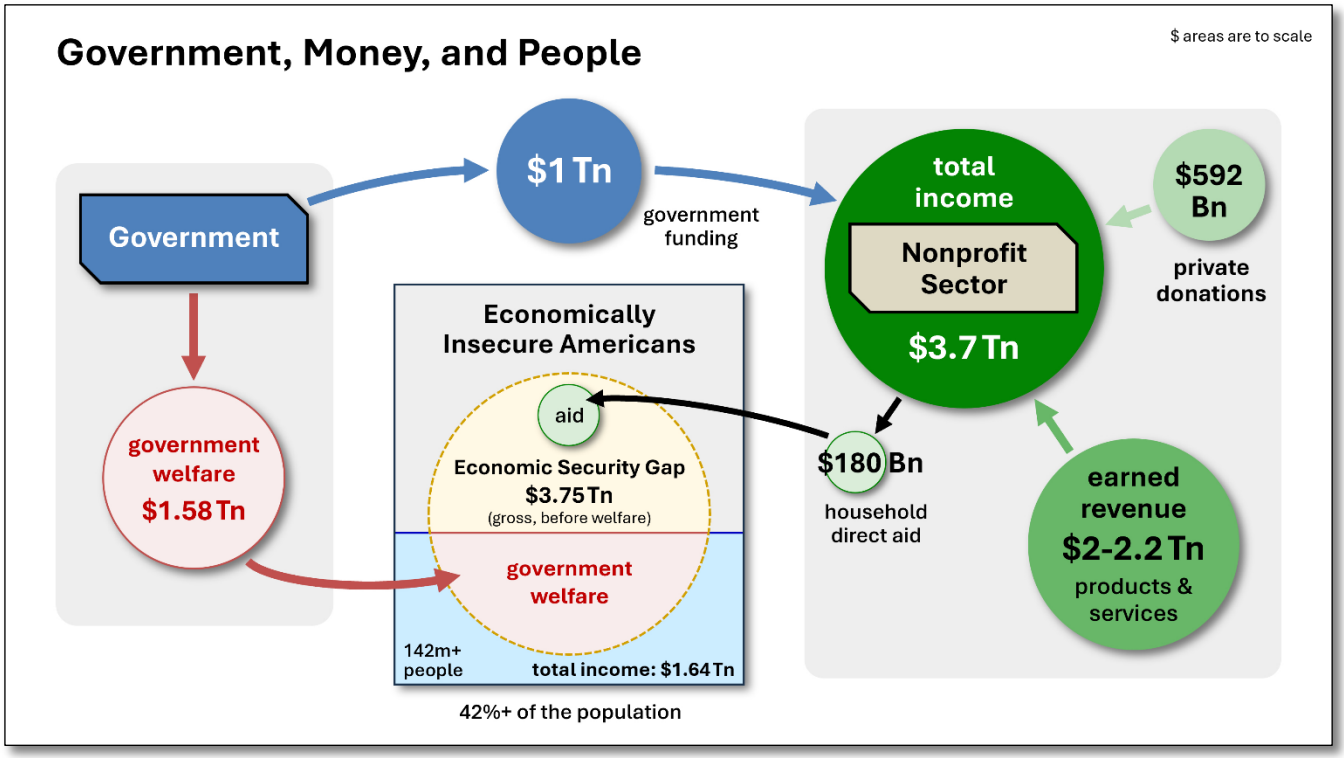
- The U.S. economy is the source of the country's power — 68% of it comes from spending by or on behalf of consumers.
- Winning the AI race will be self-destructive if workers displaced by AI cannot secure livable incomes.
- A national Universal Basic Income is not politically viable, cost-effective, or financially sustainable — government borrowing or 'printing' more money at scale further undermines the USD and the economy.
- The Economic Security System starts by progressively funding those currently seeking work, then scales as job losses grow — paying workers while they learn new skills, and putting those who can work into society-strengthening work on livable incomes — all funded by the System.
- It makes the workforce, the economy, and the country AI resilient, building a new American middle class.

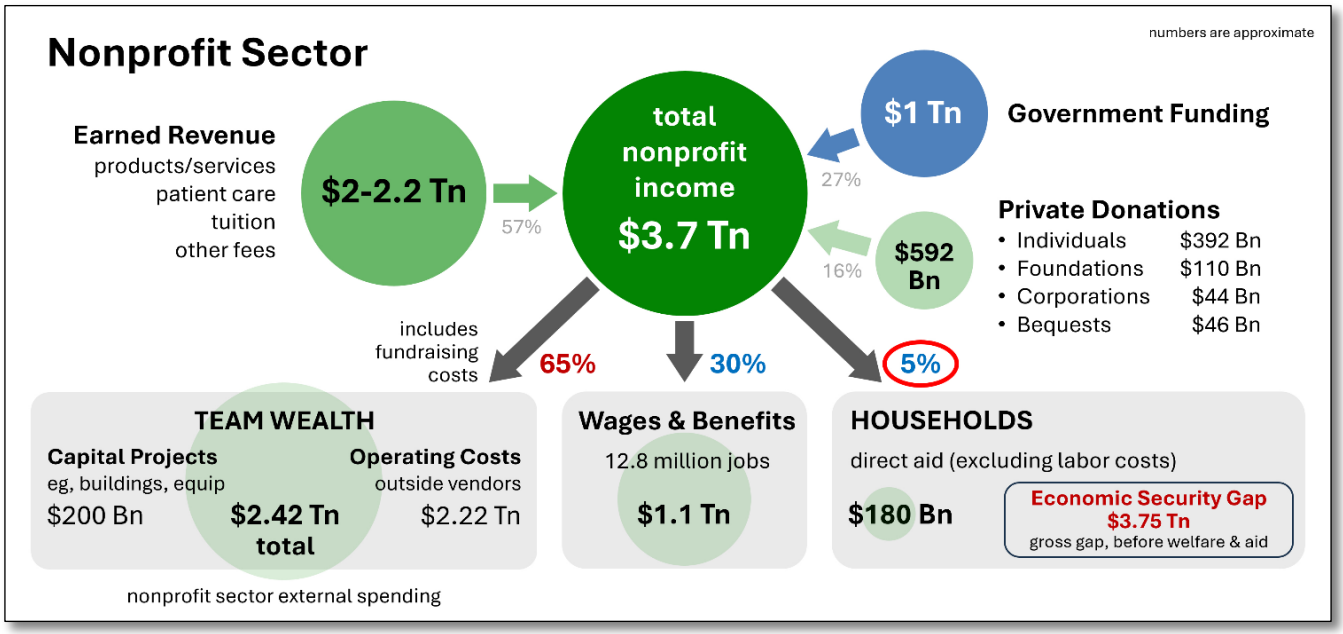
New Wealth Creation – Ending the Conflict Between Team Wealth & Team Society

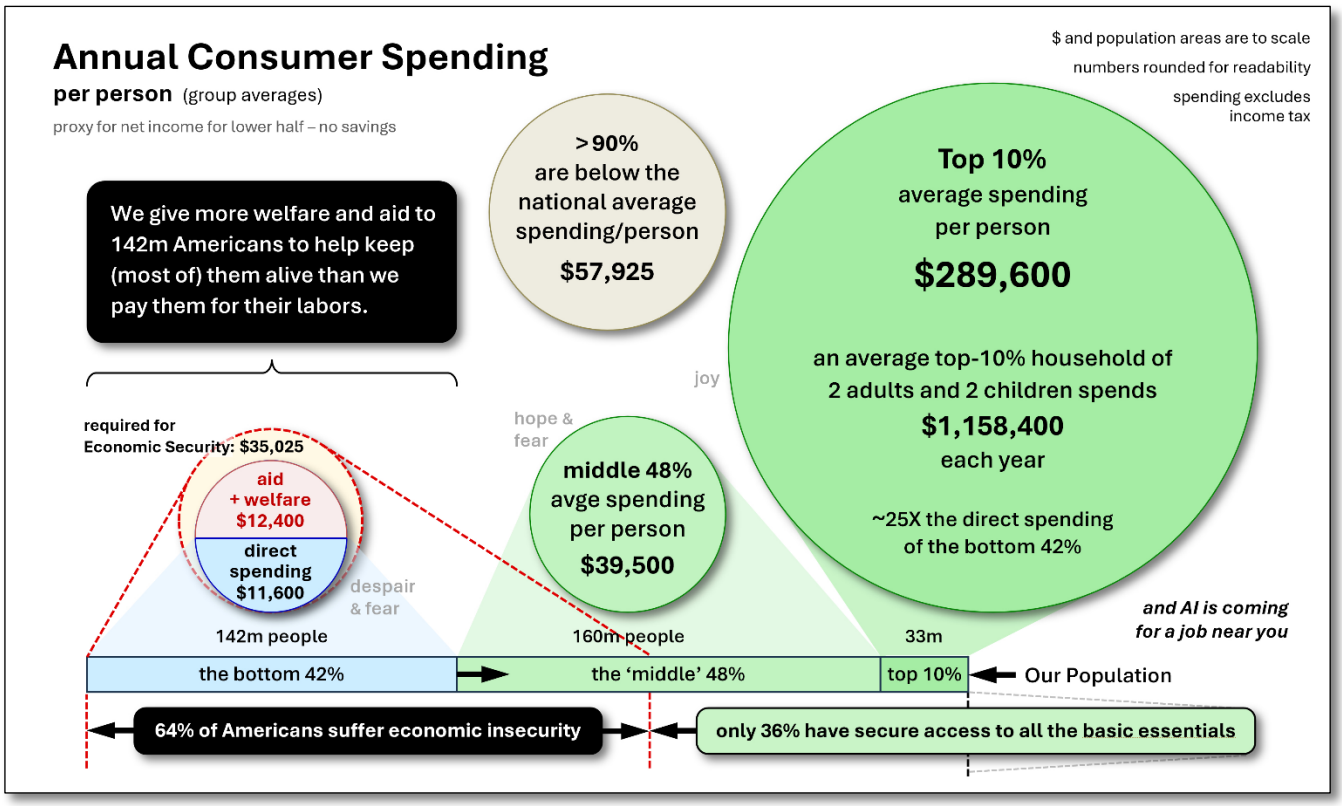
- Many of our problems stem from the largest conflict in the country — the never-ending fight between creating wealth and improving society. The System solves this by merging these two competing pursuits.
- Our hybrid structure is designed to build a broad bridge between improving society and wealth creation.
- Our 501(c)(3) nonprofit arm, Pathfinder Strategic Services (PSS), is the custodian of our societal goals and trustee of funds held in the System Treasury on behalf of the communities served by the System.
- Pathfinder Economic Services Inc (PES) is a for-profit C corporation — it builds, operates, and manages the System on behalf of PSS under a management services agreement between the two entities.
- The System includes a comprehensive rewards system that enables all users of the System to create new wealth (including government), in addition to the wealth created for investors in PES.
- Pathfinder's leadership is precluded from owning financial equity to protect the integrity of the system.

Economic Reference Points

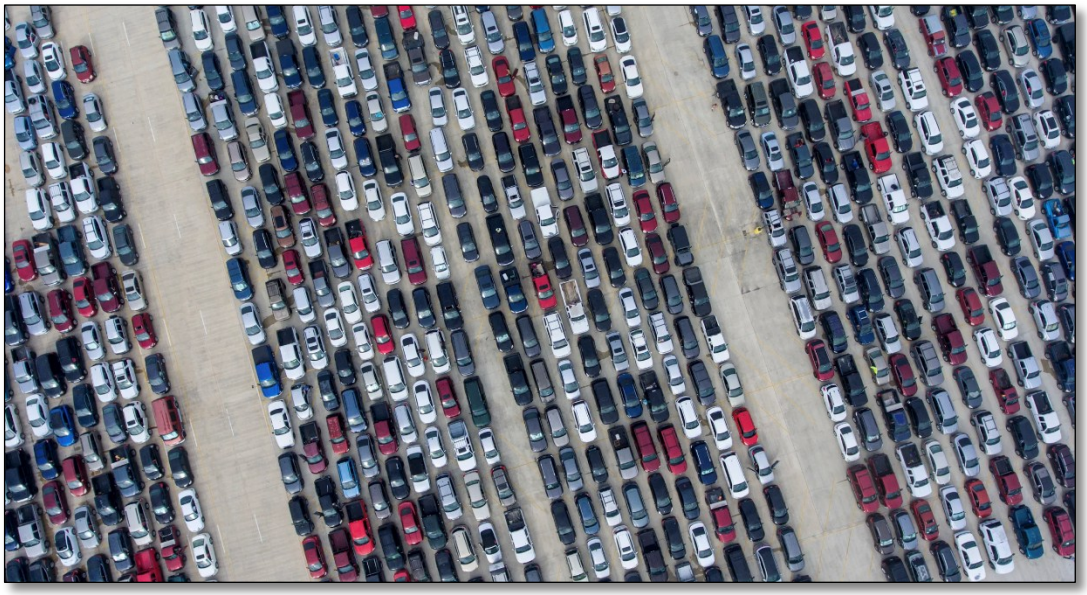
Here is some additional information for further context.







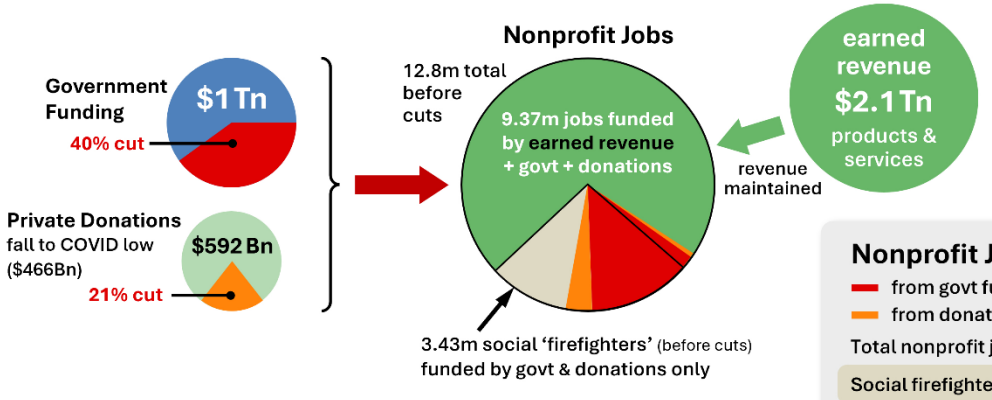
The consumer base is on life support — spending is concentrating — the trajectory is unsustainable.



This photo was published on April 10, 2020, one month into the U.S. Covid-19 recession, by the San Antonio Express-News and KSAT News. It shows cars queuing at a food distribution event at Trader's Village in San Antonio, where the food bank served over 10,000 households. 6,000 families were preregistered, and an additional 4,000 cars showed up after word spread on social media.

Nonprofit Sector Funding Cuts

numbers are approximate



Sector Total Flows (before cuts)

Total receipts:	$3.7 Tn
Paid to businesses:	$2.42 Tn
Staff costs:	$1.1 Tn
Household direct aid:	$0.18 Tn

The Government Narrative

- Govt pays $1 Tn to nonprofits; only $108 Bn reaches households as direct aid
- The overall economy takes priority — 5.7% unemployment is painful but survivable
- Foundations have $1.3–1.6 Tn in unspent tax-deducted donations — they can step up

It's politically viable and economically sound.

Nonprofit Job Losses

- from govt funding cuts: 1.91m
- from donation cuts: 0.49m

Total nonprofit job losses: **2.4m (19%)**

Social firefighter job losses: **2.12m (62%)**

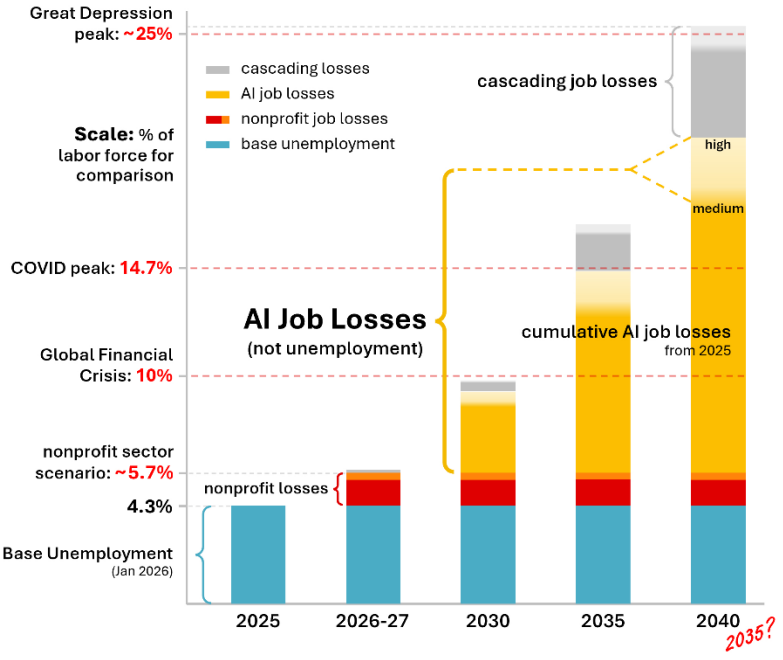
National unemployment: 4.3% to ~5.7%

Nationally manageable – locally devastating

The fire department is now at risk.

> Universal Basic Income is like borrowing money to buy more heavy cargo to put on an already sinking ship when you can't get insurance for either the ship or the cargo. ***It drives us deeper into Trap 1.***

AI's Coming of Age



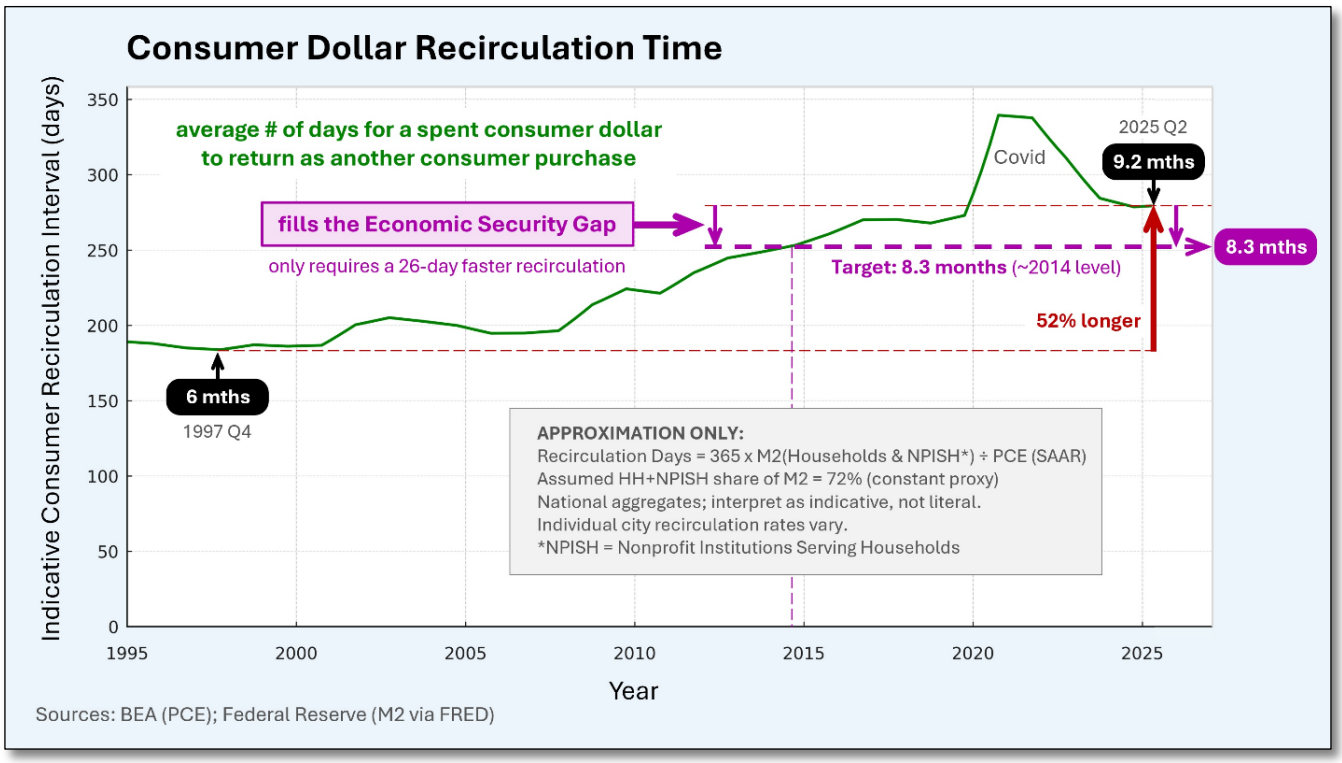
AI Job Losses

- estimates reflecting ROI-driven AI adoption, including robotics
- 2040 losses ~34% to 42% of white collar + admin + production jobs
- cascading losses rise with stress: 10% to 30% of primary losses
- 2025: 54,836 AI-cited layoff plans — an early signal (Challenger; excludes "cost-cutting", etc)
- college grad underemployment: 42.5% (NY Fed, 2025 Q4)
- job loss ≠ unemployment: BLS counts 'employed' if you worked ≥1 hour that week
- 40% of employers anticipate reducing staff where AI can automate tasks (WEF)

Once a job type is lost to AI, it's never coming back.

The revenue base for new work is limited by consumer spending and net exports.
If AI job losses drive spending down, sustained new work is constrained
without more demand — government funding is one option. OR ...

We can make the consumer money supply more productive:



A Note on the Numbers

The numbers presented in this document are based on data available when the information was compiled. Principal sources include CBO, FRED, BEA, BLS, U.S. Treasury, OMB, IRS, NY Fed, United for ALICE, Giving USA, NCCS, USAspending, Challenger, and WEF. Inevitably, some numbers will change as more recent data becomes available. While valuable, these updates won't affect the storyline or where it leads. Our economy is a living organism in a constant state of flux — the numbers are changing even while you're reading this. Like building a new car, this solution doesn't depend on exactly how many miles of road there are.

The solution is not only designed to be future-proof — its role is to help shape the future.

All living organisms respond to rewards — it's nature.
You cannot negotiate with nature.

You can only respond to the rewards ... and for humans:

Change what the rewards are for.