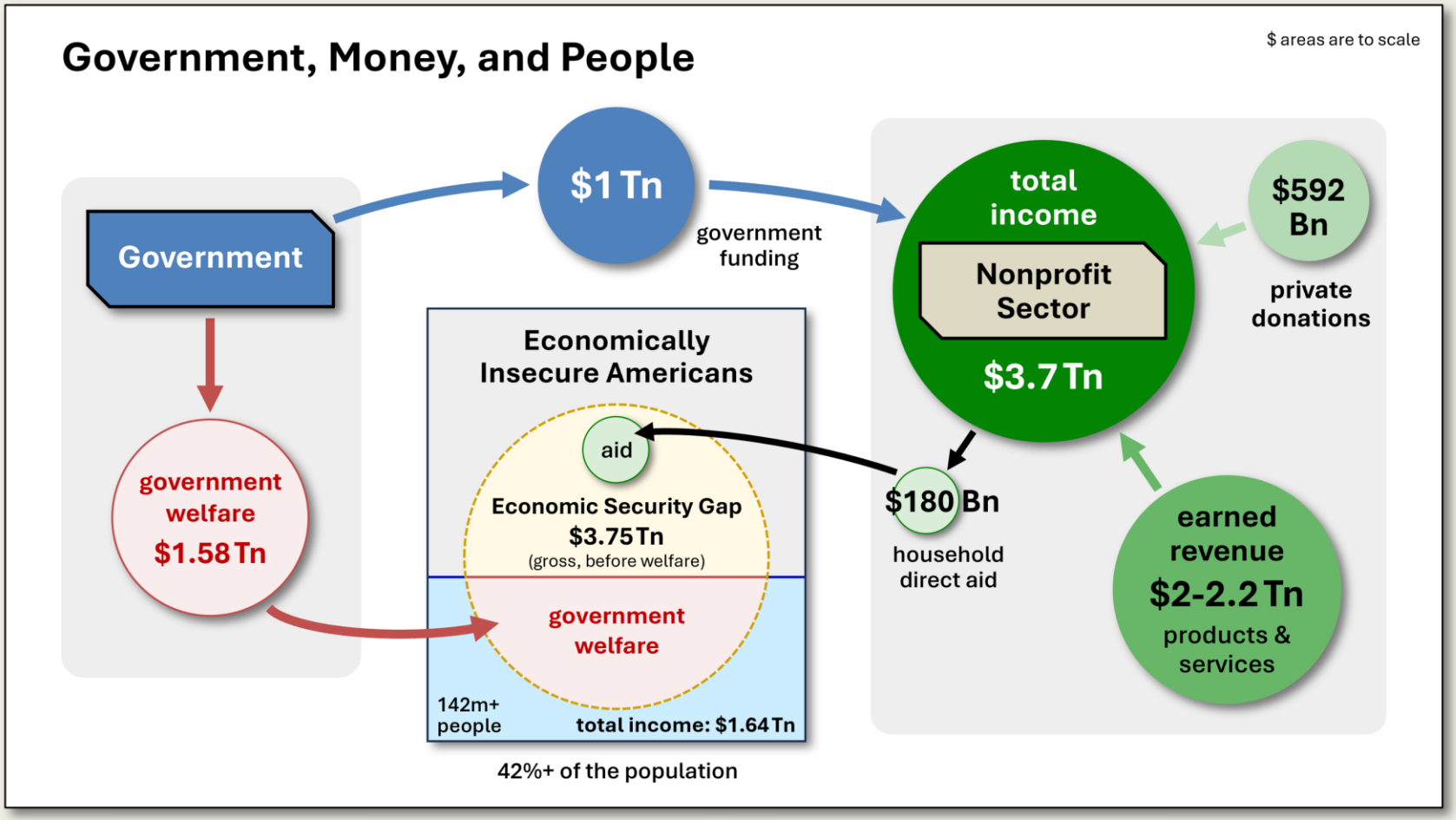
Economic Insecurity – a strategic vulnerability



economic insecurity — people, industries, government — is strategic insecurity for the nation

Sources: United for ALICE; Giving USA; NCCS (Urban Institute); USAspending.gov; OMB

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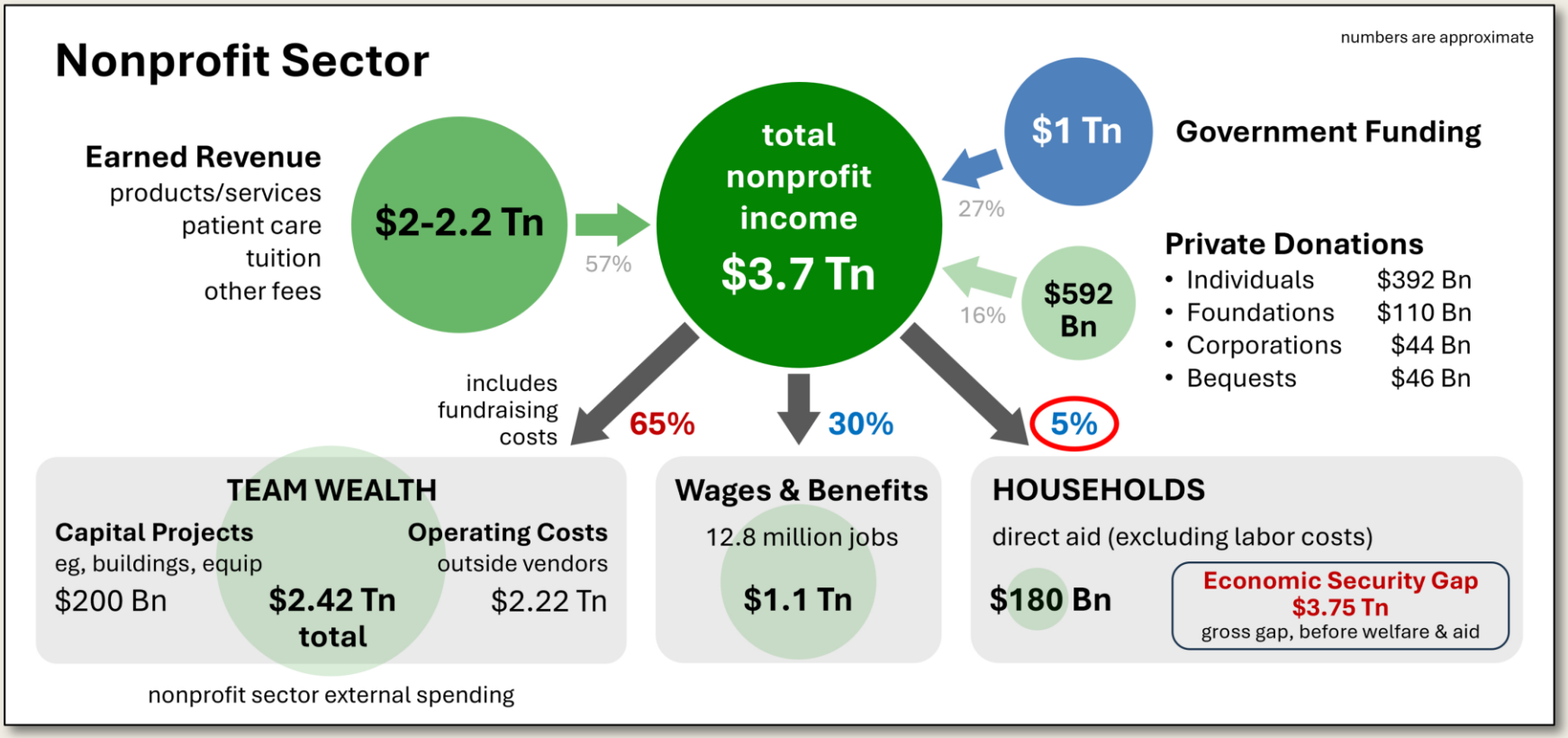
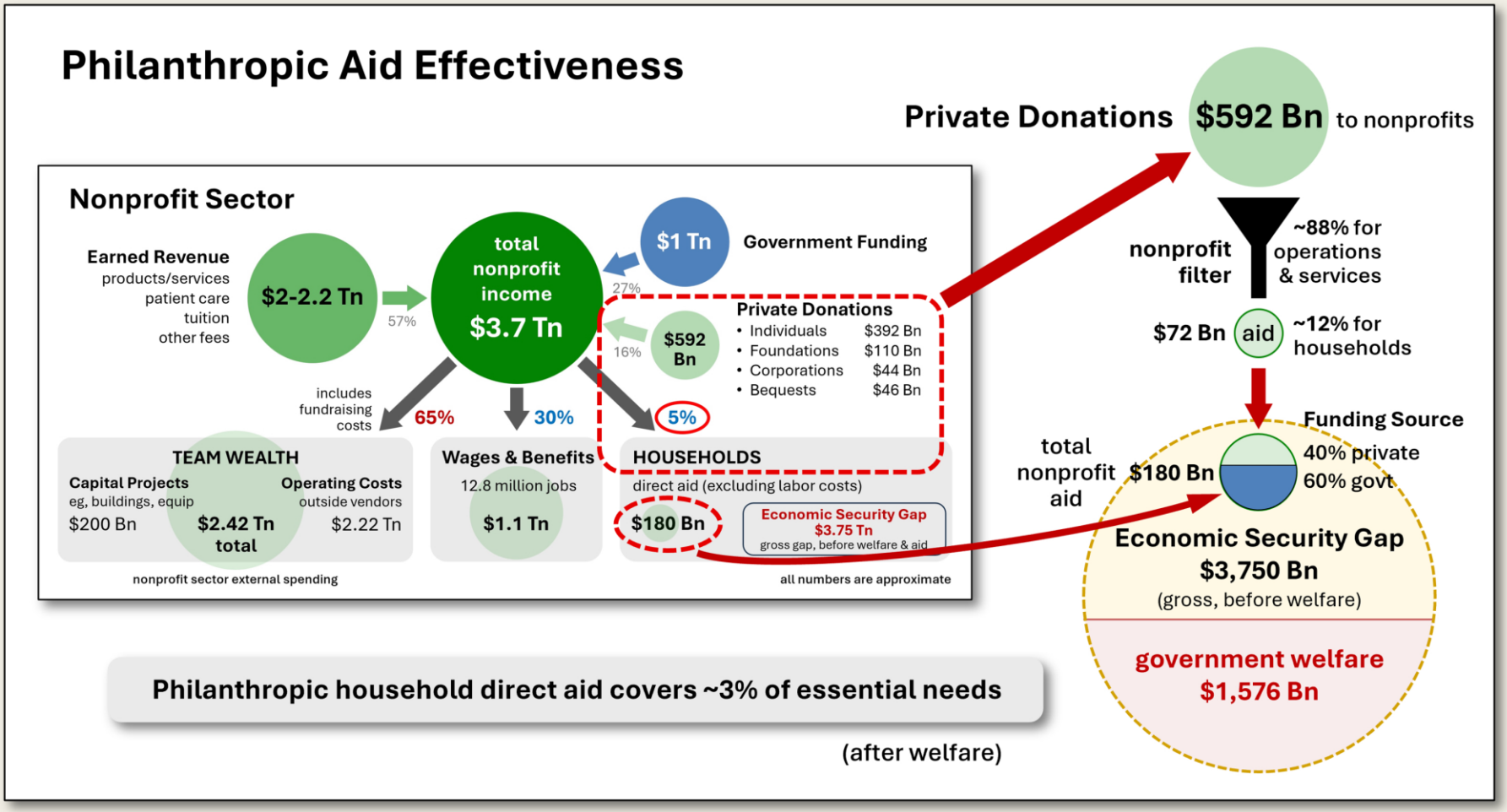
Nonprofit Sector Money Flows



- 65% goes to commercial businesses
- 30% funds 12.8m nonprofit jobs
- 5% reaches households as direct aid

Sources: IRS; Giving USA; USAspending.gov; BEA; OMB

Household Aid Effectiveness



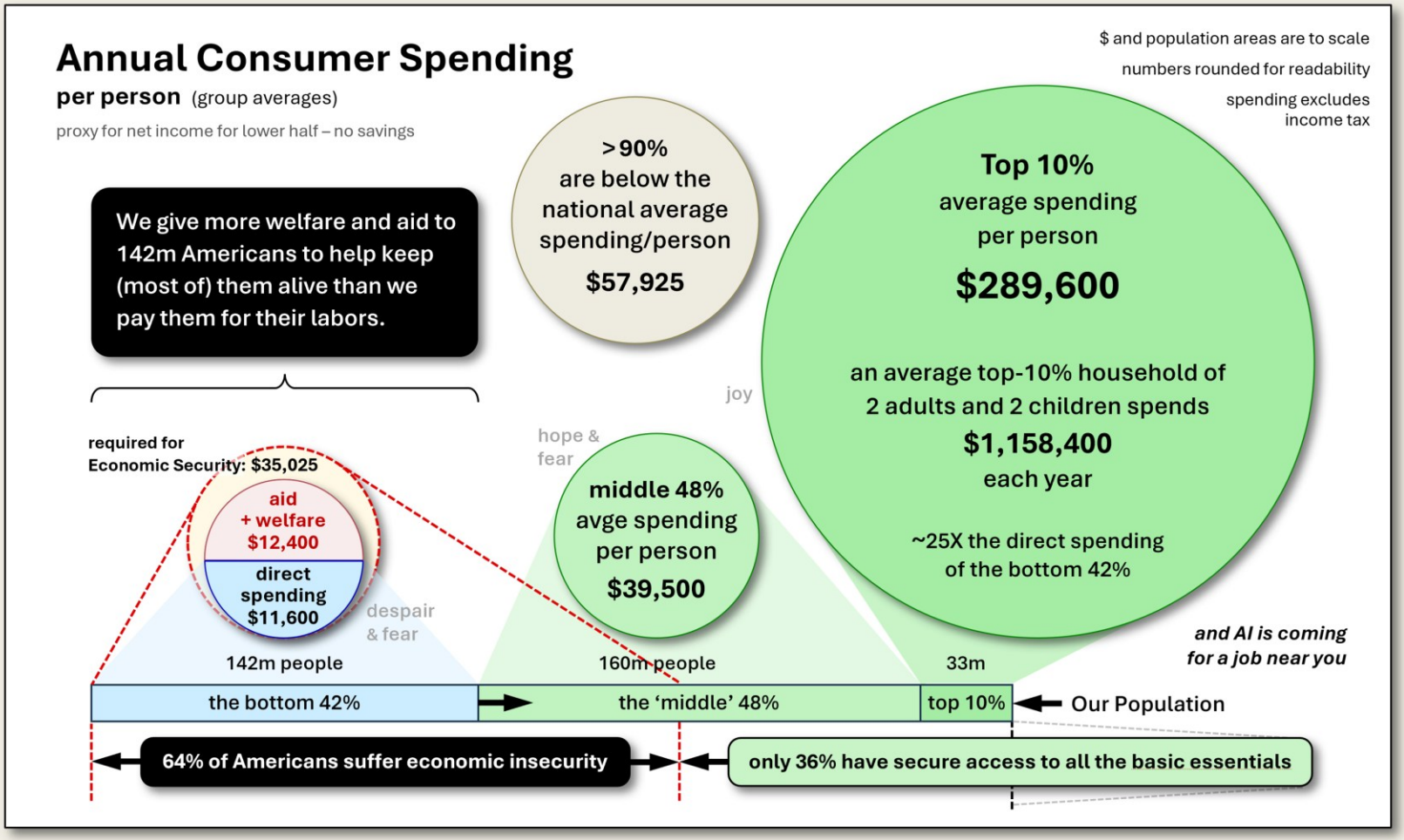
Philanthropic household direct aid covers ~3% of essential needs

(after welfare)

~12% of private donations reaches households as direct aid

Sources: BLS; FRED; BEA; USAspending.gov; OMB

Consumer Spending – 68% of the economy



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

Sources: BLS; BEA; FRED; United for ALICE; USAspending.gov

Challenges in Managing the Economy

Govt Spending, Deficit

deficit – FY24 to FY25

- from **$1.82** Tn to **$1.78** Tn: ↓ 2.3%
- defense spending: ↑ 2.1%
- welfare spending: ↑ 12.6%
- humanitarian funding: ↓ $10.7Bn

Money Supply

1995 to 2025

- money supply growth: 6.3x
- GDP growth: 4x
- consumer $ recirculation time: 6 months → 9.2 months

Financial Stability

- banking system
- bond markets *(Treasury debt)*
- broader financial markets

Primary Issues

National Debt

Q3'24 to Q3'25

- from **$35.5** Tn to **$37.6** Tn: ↑ 6.1%

interest on debt – FY23 to FY24

- from **$879** Bn to **$1,133** Bn: ↑ 29%

(total interest on the public debt)

Government

all these challenges are entangled

Global Reserve Currency

- USD weakness: ↓ ~10% *(2025)*
- de-dollarization momentum *(BRICS non-USD payments)*
- China reducing its U.S. Treasuries

Inflation

cumulative totals – 2007 to 2025

- consumer price index: +57%
- ALICE essentials index: +78%
- gold price in USD: ~4.9x

(USD devaluation proxy)

Employment

January 2026

- unemployment rate: 4.3%
- unemployed: 7.36 million
- not in the labor force: 37.5%

International Power

- trade reliance *(supply chains / tariffs)*
- advanced chips & AI competition
- Taiwan flashpoint *(China & TSMC)*
- critical minerals shortages

tough decisions to be made — irrespective of politics

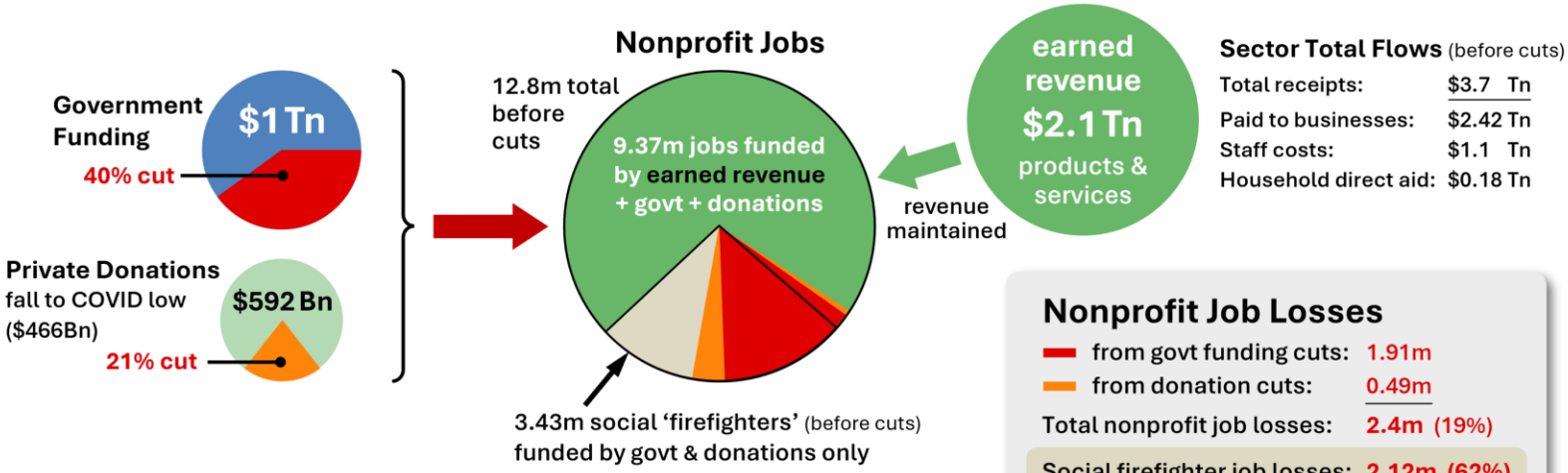
Sources: CBO; FRED; BEA; BLS; US Treasury

Looming Dangers – Part 1

- **Fiscal Vice Tightens** – no painless options: cut funding, borrow more, 'print' more; USD weakens, insecurity grows
- **Support Capacity Squeezed** – nonprofit funding down, jobs lost; welfare and aid demand up, support down

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.

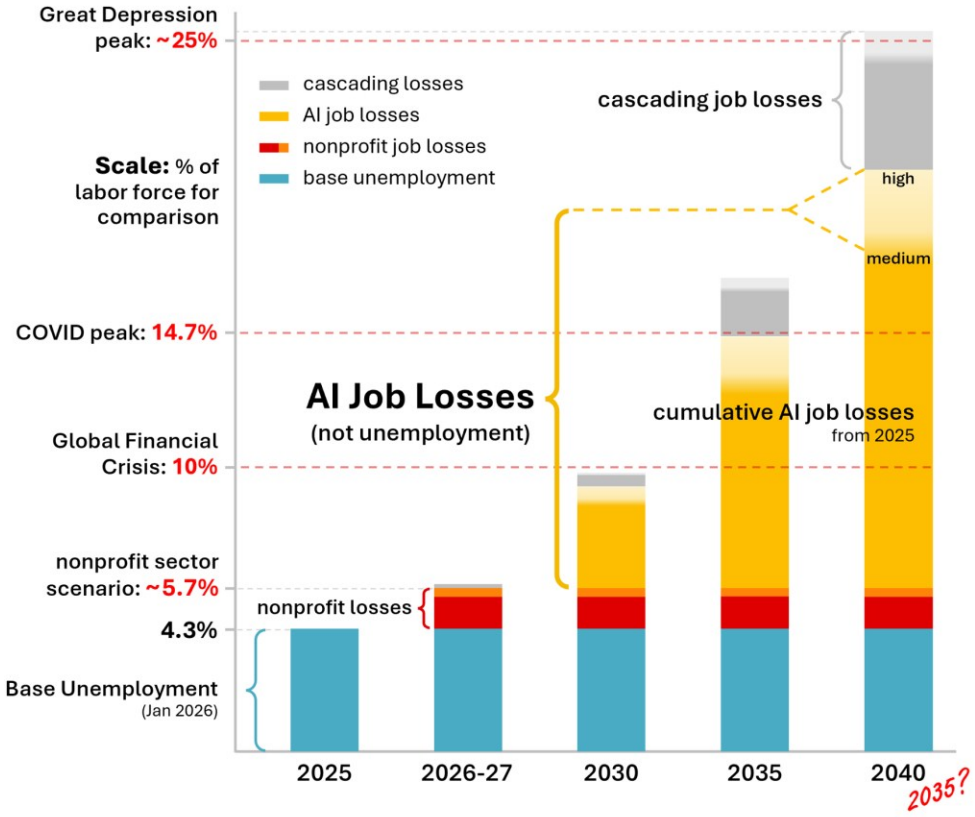
Sources: NCCS (Urban Institute); IRS; Giving USA; USAspending.gov; BLS

Think it can't happen? Congressional Budget Office (Feb 2026): national debt on track to reach ~$64 Tn by FY2036 (↑ 66%)

Looming Dangers – Part 2

- **AI Comes of Age** – replacing new hires now, plus some existing jobs; range of roles displaced widens, impact grows relentlessly

AI's Coming of Age



AI Job Losses

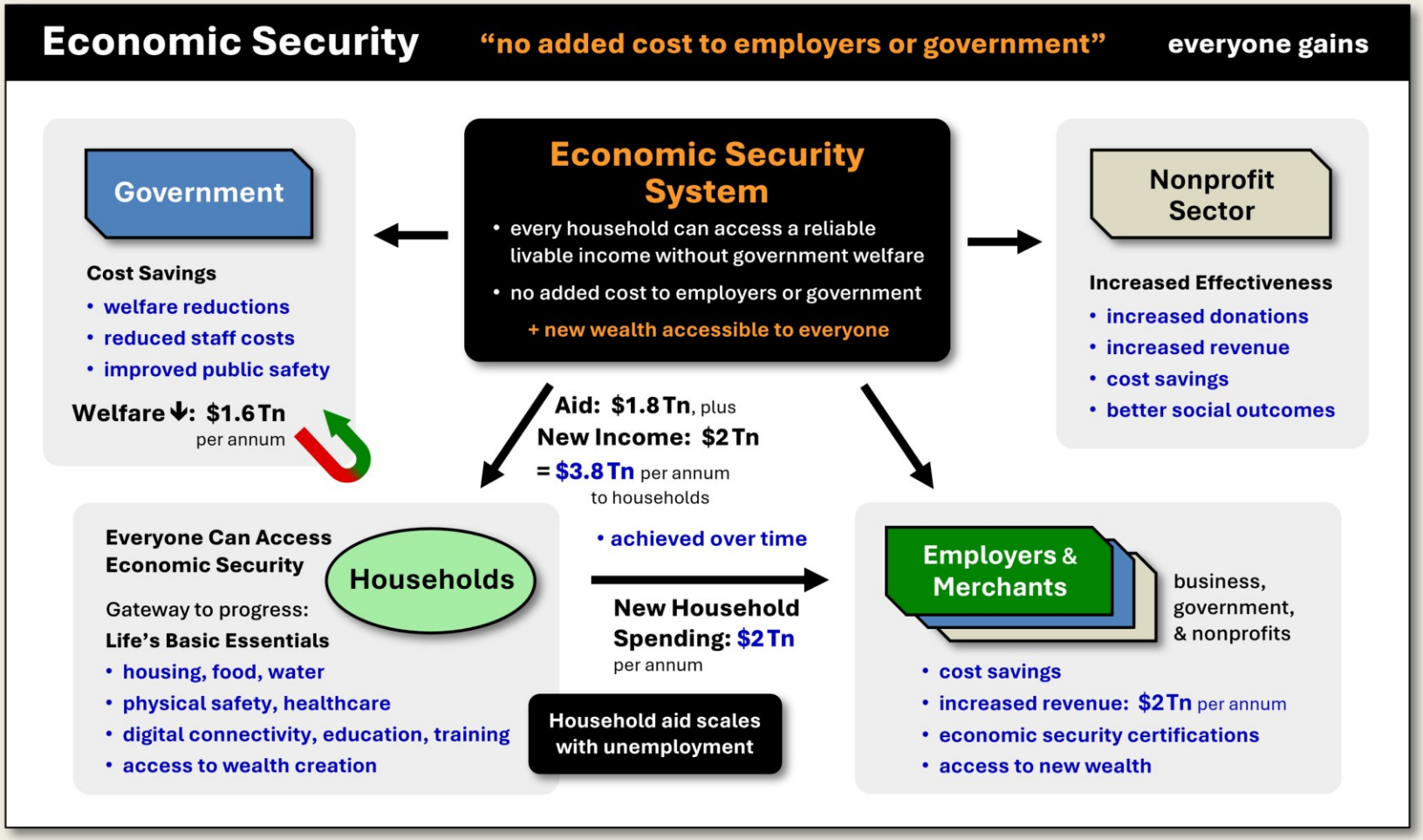
- estimates reflecting ROI-driven AI adoption, including robotics
- 2040 losses ~34% to 42% of white collar + admin + production jobs
- cascading losses rise with stress: 10% to 30% of primary losses
- 2025: 54,836 AI-cited layoff plans — an early signal (Challenger; excludes "cost-cutting", etc)
- college 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.

Sources: BLS; NY Fed; Challenger; WEF

There is no coming back from AI — Universal Basic Income isn't viable — where does that leave us?

Accessible Economic Security – a solution for everyone



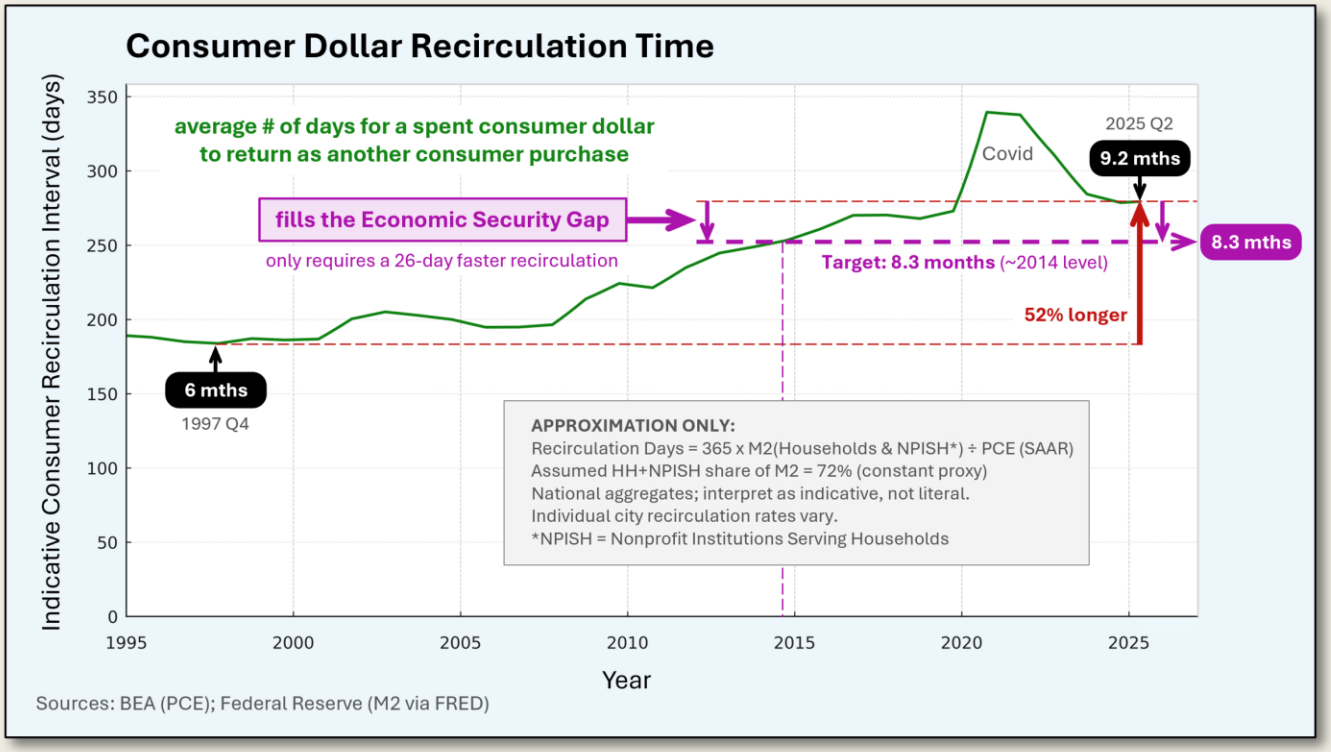
strengthening the economy and the country — making society AI resilient

Sources: FRED; BEA; BLS; OMB; IRS

"How?"

- **Consumer money stock:** the pool of money circulating through the consumer side (68%) of the economy
- **Recirculation time:** time for a spent consumer dollar to return as another consumer purchase — currently **279 days** (9.2 months)
- Cutting average recirculation time by **26 days** (to 8.3 months) *creates ~$2 Tn of new consumer spending without any more money*
- We achieve the same **$2 Tn gain** by accelerating just **0.26%** of the $14.8 Tn consumer money supply (**~$39 Bn**) to *weekly* recirculation

that's how everyone can access economic security — without it costing anyone any money



The Full Story

There's a lot more to a car than how the engine converts gas into motion — an engine alone does not make a car.

Same with economic security.

To understand how we can create economic security from slow-moving money — making it accessible to every household in need, while giving every person and every type of organization (business, government, and nonprofits) access to new financial gains — see the full story at:

→ CreatingEconomicSecurity.com

Pathfinder strategic services is a 501c3 nonprofit organization

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Economic Security is National Security

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