

Economics 101 for 2023 Idiots



By Lex Greene

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As the [first BIG U.S. BANK backed by the FDIC collapses](#), SVB (Silicon Valley Bank) known as a leading lender to tech start-up companies, it seems like a good time to write about *Economics 101 for Idiots* who were never taught any better growing up. Remember, never discuss money, religion, or politics. It might hurt someone's sensitive feelings.

There are a few basic rules of economics that are inescapable for everyone, sooner or later. Here are the main rules of economics that public schools and college campuses never taught the past few generations.

RULE #1 – Cashflow is not earnings or profits. The vast majority of company failures are not due to lack of profits or earnings. Most fail because they do not have enough working capital (cashflow) to stay alive until the company has earnings. On the other hand, cashflow must be used to reach profitability, or the company will fail from that side. Sooner or later, the enterprise must make a profit.

RULE #2 – Don't spend money you don't have. In fact, don't even spend all the money you do have, or you will run out of money. Then, the things you hoped would never happen...happen.

RULE #3 – Don't borrow money for depreciating assets. A new car sounds great, until you realize that the car loses 30% or more of what you just paid for it, the minute you drive it off the lot, making the car a "used car." Only borrow for "appreciating" assets, such as land.

RULE #4 – That new item you love might excite you, but it will bring you the opposite of peace and tranquility. Nothing will help you enjoy your day and sleep at night more than liquidity, plenty of financial resources at your disposal and no significant debt owed to anyone.

Now, these are just a few basic sound economic policies to live by, be it for you and your family, your state, or our country.

Unfortunately, the so-called “experts” in our government have violated all of these basic economic concepts and thousands more, bankrupting the USA while our government continues to pass deficit spending bills in a country already more than \$32 trillion in unsustainable debt. These “experts” could not be worse economic managers if their lives depended on it!

On a national scale, Americans are also in a mountain of unsustainable debt and most of them are depending upon a bankrupt nation to pay those debts for them. In case you have not figured it out yet, the only place the government can get money is from YOU! They drove us all into bankruptcy through their insane policies, and now [they have no choice but to come to YOU for the money.](#)

Further, understand these irrefutable basic concepts.

“Rich people” only pay the taxes they are willing to pay. They are international players with so many options to legally avoid taxation that they need not evade taxes illegally.

“Poor people” don’t pay any taxes...they can’t. So, top earners and bottom earners can escape taxation at will. That leaves you and me, the average working stiff who has the ability to pay taxes, but not the ability to avoid paying taxes. No matter what any politician says, it is **“the middle class”** that they must rob of their earnings, or the whole house of cards will come crashing down.

In the past, the TOP 10% of income earners in the USA, those making more than \$152,321 household incomes, have paid approximately 75% of all federal income taxes. In considering the subject of "fair share," is it fair that the TOP 1%, those making over \$548,336 per year, taking in 22.19% of personal income, have been paying 42.31% of all federal income taxes? ([LINK](#))

Next, no matter what the corporate income tax rate is, **corporations DO NOT PAY INCOME TAXES**. Instead, they collect taxes from their shareholders in reduced per share earnings, and from you their consumers, in higher prices. Then the corporation will remit those funds to the government "if" the company shows a profit during the taxable period. (*inflation*)

If you have a 401k or invest in the market, YOU are paying the "corporate taxes." If you consume products at higher prices, YOU are paying those "corporate taxes." Corporations do not pay income taxes. They collect it from you and send it to the government in the form of so-called "corporate taxes."

This is exactly why all forms of totalitarian governments fail. Marxism, Maoism, Communism, Fascism, Leninism, all of them...fail because the economic plan is "unsustainable." Former British Prime Minister Margaret Thatcher said it best... "*Socialism is a great idea, until you run out of other people's money.*"

Right now in the USA, we have a lower percentage of eligible workers in the workforce than at any time in history. That's because millions of Americans have recently figured out (*thanks to the COVID19 scamdemic*), that they can "net" more on government assistance than they can "net" on a job after taxes. So, they don't work, at least on the record.

As a result, after the unsustainable Marxist theories fail again, as they always have throughout human history, our country will be left with generations incapable of feeding

themselves, because they have never had to...

CONGRATULATIONS to the 2023 Idiots who were never taught even the most basic economic facts. You let the government create a nation of people incapable of freedom, in constant search of “free stuff” from their government, until the money is all gone. At \$32T in debt, it’s gone!

We’re almost there now, so hang on to your hats! This is why Klaus Schwab and his evil WEF, backed by the USA government and a laundry list of USA companies told you – – *“you will own nothing and be happy.”* **What they said is, “they will own everything,”** and trust me, **YOU will NOT be happy.**

BUT YOU DID THIS! At best, you allowed others to do it to all of us! There never was any such thing as “something for nothing” and there never will be.

Allow me to point out one more economic reality...

INFLATION is usually caused by demand outpacing supply. In this case, it’s the result of numerous insane Biden Administration policies that have created a supply shortage on everything. In other words, strong consumer spending usually triggers inflation, unless government policies cause it.

A **RECESSION** is usually caused by low consumer confidence and spending, with supply outpacing demand. A recession usually causes lower prices on goods and services in order to spark more consumer activity. It also usually causes lower borrowing rates, also intended to spark consumer confidence and spending.

These two dynamics almost never exist at the same time because they are normally caused by opposite conditions, and usually cause opposite economic policy changes to offset the causes of the condition.

Today, all opposite conditions exist.

- record inflation, with record high interest rates, in the middle of a recession that dwarfs 2008,
- combined with a government caused supply chain shortage on everything,
- a record low active employment rate,
- debt off the charts for both the government and citizens and banks now beginning to fail without liquidity,
- while the [BRIC Nations](#) finish the task of eliminating the US Dollar as a world currency,
- Biden instituting a digital currency completely controlled by DC criminals,
- While igniting World War III, funding both sides of the war in Ukraine,
- following massive efforts by our government to control everything and everyone,
- all of it in direct violation of the Constitution and Bill of Rights.

Now, such a massive economic disaster doesn't happen by coincidence.

It turns out that YOU and ME are the only folks who are NOT "too big to fail."

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