

What Is Money And How To Make More Of It?

You've probably thought about money a lot, right? It's kind of the thing that makes the world go 'round. But what is money, really? At its core, money is a tool you use to simplify exchange a goods and services. Instead of trading a chicken for a loaf of bread, you use money as a universal middleman-something everyone agrees has value, so you can buy what you need, save it for later, or even invest it to make more money.

Think about it like this: money allows you to store the value of your work or assets without relying on perishable or cumbersome materials like grain or cattle. It's kind of like a container for value. Without money, trade would be inefficient and chaotic. Money creates a shared scale for value, making exchanges smoother and more consistent. Money is also a store of value of your energy and time since you worked for the job that you hate just to earn it, and since both your energy and time are limited, how you use money reflects how you prioritize these finite resources.

But here's where it gets interesting-how does money actually work? It's like this big, interconnected system that's controlled by federal government, governments, central banks, and, of course, the trust we place in them. Most of the money we use today isn't even physical. It's digital, just numbers in your screens. I know, it sounds a little strange, especially when we're so used to thinking of money as bills and coins, but in reality, those physical forms are just a small part of the picture. Money today is mostly data. It's like a big cloud of numbers flying around the world, constantly being created and transferred.

Now, the value of that digital money comes from the trust we put in banks and governments. Think about it: the only reason your one dollar bill is worth one dollar is because everyone believes it is. We trust that the government or the central bank will keep the economy stable, and that's why we keep using money. They're in charge of making sure there's just enough money circulating to keep things moving-without causing too much inflation or deflation. If they get it wrong, things can get really out of control. Like when inflation kicks in.

Speaking of inflation did you notice how prices seem to go up over time? That's inflation. It happens when there's more money circulates than goods or services available, making each dollar worth less. For example, a candy bar that cost \$1 in 1980 might now cost \$1.50 now, not because candy bar is fancier; it just means that the value of money has declined and raw material to make it are limited or labor to create it is expensive.

Central banks are kind of like the referees in this game. They try to control inflation by adjusting things like interest rates. When inflation rises, they raise rates to cool spending. When it's too low, they lower rates to encourage borrowing and investment. It's a balancing act to keep the economy stable.

So, How is Money Created?

Here's where things get a little mind-bending: most of the money in the world isn't actually "printed" by the government. The government does print physical money (like coins and bills), but that's just a small fraction of the total money supply. The majority of money is created by central banks. Yup, banks!



Here's how it works. When you deposit money in a bank, it's not just sitting there waiting for you to withdraw it. The bank uses a large portion of your deposit to lend a loan to others. These loans aren't stacks of cash; they just add the loan amount to that person's bank account as **digital money**. That's right: money is created the moment someone borrows it. This process is called fractional reserve banking, and it's how most of the money in modern economies is created.

You might be thinking, **“Wait, how can banks just create money out of nowhere?”** Well, it's because they're lending money that you've deposited—money that's technically still yours, but being used to help someone else buy a house or start a business. The cool (or maybe a little scary) part is that for every dollar deposited, the bank can lend out a multiple of that, creating new money in the system. It's a system that helps fuel economic growth, but also means that banks and borrowers have to be responsible, or else things can get messy.

Around 600 BCE, the people of Lydia (which is modern-day Turkey) introduced the first coins. These coins were made from precious metals like gold or silver, which had intrinsic value. And because they were made of valuable materials, people trusted them as a form of money. The introduction of coins made trading a lot easier because it provided a standard of value that didn't spoil or change.

But even after the invention of coins, money was still a pretty physical thing—something you could hold in your hand. It wasn't until much later, in the Middle Ages, that paper money started being used. Paper money had the advantage of being lighter and easier to carry around than coins, and it was backed by banks, who promised that the paper could be exchanged for a certain amount of precious metals.

Fast forward to today, and you've got paper bills, coins, credit cards, and digital payments. In fact, the way most people pay for things now is with digital money—whether it's through bank transfers, mobile apps, or even cryptocurrency. But the core idea behind money has stayed the same: it's a way to store and exchange value.

The Role of Banks in the Money Game

Let's talk about banks for a minute. They might seem like just places where we keep our money, but they actually play a massive role in how money works in the economy. Banks are kind of the heartbeat of the financial system. When you put money in the bank, they don't just let it sit there—they use it to lend to other people. They give out loans to businesses, individuals buying homes, and students going to college. They make money by charging interest on those loans, and that's how they stay in business.

But banks also provide other services like savings accounts, checking accounts, and investment opportunities. They help you manage your money, and they make sure that money moves through the economy in a way that keeps things going. Without banks, we'd all be stuck dealing with cash under the mattress or keeping track of trades on our own. Banks help keep things running smoothly and are essential to the way economies grow.

In the end, money is really just a tool—a system that helps us trade, save, and invest. We've created this complex system around it, from coins and paper bills to digital



money and credit. And even though it might seem like a simple part of everyday life, understanding how money works can give you a whole new perspective on how the world operates.

Whether it's how money is created, how inflation impacts us, or how banks keep everything running, money is so much more than just something we use to buy stuff. It's a huge system that shapes economies, governments, and our lives. But how you can make more money and preserve it?

Here's the 3 truths that you will never know unless someone will say it to you:

1. If you want to make money, you have to create a goods (product) or services that are useful or valuable to a lot of people.
2. You won't make a lot of money by selling your time because your time is finite, your goal is to remove yourself into operating and paying someone to create a goods or services that are useful or valuable to people in your country, local country, or global.
3. Your goal as an entrepreneur is to acquire and use God's resources (lands, plants, animals, bacteria, insects) to provide a product or service to those who don't know how to do it themselves.

The truth is making money is simple, you have to create a one product or one service and sell it many times at a scale.

“If you want to lead the orchestra, thou must turn your back on the crowd.”

