Asset Inflation... (From Rome to America: The Fall of Empires Through Debt and Currency Collapse)
By John Walter

Everyone is always happy seeing bloated asset prices, but never question why? What is the symptom causing this? Am I really a genius for what I have chosen and where I live or is it merely dollars chasing yield because they are created out of thin air. The answer is more currency is being printed daily, and it will not stop, but the bubbles always pop even with money growth. Look at Zimbabwe money does not end poverty. We have a 10 trillion dollar note to prove that. Wealth is goods and services. I want to discuss Rome and the Dark ages stemming from credit collapse much like we are facing today. This is critical to understand. Remember, this is our opinion, so viewer discretion is advised.

Nations and Societies That Thrived After Rome's Fall

The fall of the Western Roman Empire in 476 AD marked a period of upheaval in Europe, often associated with the onset of the Dark Ages, characterized by economic stagnation and cultural decline. However, several societies outside the Western Roman sphere not only survived but thrived, maintaining or advancing their cultural, economic, and political systems. These regions—primarily the Byzantine Empire, the Sassanid Empire, the Gupta Empire, the Kingdom of Aksum, and early Islamic civilizations—demonstrate that the collapse of Rome did not universally lead to decline. Below, we explore how these societies avoided a "Dark Age" and continued to flourish.

The Byzantine Empire: A Continuation of Roman Legacy

The Byzantine Empire, the eastern half of the Roman Empire, emerged as a resilient successor state after the fall of Rome. Centred in Constantinople, it preserved Roman law, administration, and infrastructure while blending Greek and Christian cultural elements. The Byzantines maintained a robust economy, with a stable gold currency, the solidus, facilitating trade across the Mediterranean and Asia. Under emperors like Justinian I (r. 527–565 AD), the empire expanded, codified Roman law in the "Corpus Juris Civilis", and built architectural marvels like the Hagia Sophia. By leveraging its strategic position, strong bureaucracy, and military prowess, the Byzantine Empire avoided the chaos of Western Europe, thriving as a cultural and economic hub for centuries.

The Sassanid Empire: Persia’s Golden Age

The Sassanid Empire in Persia (224–651 AD) was a formidable power that not only survived Rome’s collapse but rivalled it. Based in modern-day Iran and Iraq, the Sassanids maintained a sophisticated centralized state with a strong economy driven by agriculture, trade along the Silk Road (today we see a rail car from China to Iran following the old silk road), and a silver-based currency, the drachm. Cities like Ctesiphon flourished as centres of learning, with institutions like the Academy of Gundishapur advancing medicine, astronomy, and philosophy. The Sassanids’ resilience stemmed from their ability to manage resources, resist Byzantine incursions, and integrate diverse cultures, ensuring stability and intellectual progress while Western Europe fragmented.

The Gupta Empire: India’s Classical Flourishing

In South Asia, the Gupta Empire (c. 320–550 AD) marked a golden age of Indian civilization, contemporaneous with Rome’s decline. Far removed from Roman influence, the Guptas fostered advancements in mathematics, astronomy, and literature, with figures like Aryabhata pioneering zero and decimal systems. Their economy thrived on agriculture, trade with Southeast Asia, and a stable currency system using gold and silver coins. The Guptas’ decentralized governance allowed regional prosperity, while their patronage of Hinduism and Buddhism spurred cultural achievements, such as the Ajanta cave paintings. This period of innovation and stability shielded India from the disruptions felt in post-Roman Europe. **The Kingdom of Aksum: Africa’s Trading Power** The Kingdom of Aksum in modern-day Ethiopia and Eritrea (c. 100–940 AD) emerged as a major economic and cultural force after Rome’s fall. Aksum’s wealth derived from its control of Red Sea trade routes, exporting gold, ivory, and frankincense to the Mediterranean, Arabia, and India. Its adoption of Christianity in the 4th century fostered ties with the Byzantine Empire, while its own gold coinage, one of the first in sub-Saharan Africa, supported a vibrant economy. Aksum’s stability, strategic location, and cultural achievements, including monumental obelisks and Ge’ez script, ensured it remained a prosperous hub, unaffected by Europe’s post-Roman decline.

Early Islamic Civilizations: A New Cultural Dawn

Following the rise of Islam in the 7th century, the Islamic Caliphates—first the Rashidun and later the Umayyad and Abbasid—transformed the Middle-East and beyond, building on the ruins of Roman and Sassanid territories. By the 8th century, the Abbasid Caliphate, centred in Baghdad, became a global centre of learning, preserving Greek, Roman, and Persian knowledge while advancing science, mathematics, and medicine. The dinar and dirham currencies underpinned a thriving trade network stretching from Spain to Central Asia. The Islamic world’s intellectual and economic vitality, exemplified by the House of Wisdom, stood in stark contrast to Western Europe’s fragmentation, marking a period of enlightenment rather than a Dark Age.

Now America is that once proud learning Capital, but we see the brain drain occurring. Let’s break down the USA dark age.

From Rome to America: The Fall of Empires through Debt and Currency Collapse

The fall of the Roman Empire and the current trajectory of the United States share striking parallels, particularly in the realms of currency devaluation, spiralling debt, and societal decline. Rome's collapse in the 5th century AD, marked by economic instability and political fragmentation, ushered in the Dark Ages, a period of cultural and economic stagnation. Today, the United States, with its $37 trillion national debt and persistent asset inflation, faces risks that echo Rome's descent. This article examines how Rome's currency collapse and debt spiral precipitated its fall and draws comparisons to the modern U.S., highlighting the potential for a similar unravelling if current trends persist.

Rome's Economic Foundations and Early Stability

In its prime, Rome was an economic powerhouse, sustained by conquest, trade, and a stable currency, the denarius. Initially made of nearly pure silver, the denarius facilitated commerce across a vast empire, from Britain to Egypt. Taxes and tributes from conquered territories funded Rome's military and infrastructure, including aqueducts and roads. However, by the 2nd century AD, the costs of maintaining a sprawling empire began to strain resources, planting the seeds of fiscal instability.

As military campaigns and administrative costs grew, Roman emperors resorted to debasing the denarius. By reducing its silver content, emperors like Nero and Trajan minted more coins to cover deficits, effectively inflating the money supply. By the 3rd century, the denarius contained less than 5% silver, down from 95% a century earlier. This devaluation eroded trust in the currency, driving up prices and destabilizing markets, a phenomenon akin to modern inflation driven by excessive money printing.

Rome's reliance on borrowed funds to finance wars and public works mirrored modern deficit spending. The empire lacked a formal debt market but extracted loans and tributes from provinces, often at unsustainable levels. By the 3rd century, emperors like Septimius Severus increased military pay to secure loyalty, doubling the budget and forcing further currency debasement. This debt spiral, coupled with declining tax revenue from an overextended empire, created a vicious cycle of economic strain.

Hyperinflation and Economic Collapse

By the reign of Diocletian in the late 3rd century, hyperinflation gripped Rome. Prices for basic goods, such as wheat, soared by 1,000% in some regions. Diocletian's Edict on Maximum Prices in 301 AD attempted to cap prices but failed, as black markets thrived and goods vanished from legal trade. The collapse of the denarius's value eroded purchasing power, impoverished the middle class, and concentrated wealth among elites, deepening social divides.

Social and Political Fallout Economic instability fuelled social unrest and political fragmentation. As the Roman state struggled to pay its legions, military loyalty waned, leading to civil wars and invasions. The urban middle class, squeezed by inflation and taxes, shrank, while rural estates owned by the wealthy grew. This inequality eroded the social cohesion that had sustained Rome, paving the way for barbarian invasions and the empire's eventual collapse in 476 AD.

The fall of Rome ushered in the Dark Ages, roughly spanning the 5th to 10th centuries. Trade networks collapsed, cities emptied, and literacy declined as centralized governance vanished. Without a stable currency or fiscal system, local economies reverted to barter, and feudalism emerged as a response to insecurity. The loss of Roman infrastructure and knowledge marked a cultural and economic regression, with Europe fragmented into isolated, agrarian societies.

Parallels to the United States: The Debt Burden Today, the United States, often described as a modern empire, faces a $37 trillion national debt, equivalent to 120% of GDP. Like Rome, the U.S. has relied on borrowing to fund military dominance, social programs, and tax cuts. Interest payments on the debt, projected to hit $1 trillion annually by 2030, mirrors Rome's unsustainable fiscal commitments. This debt, fuelled by deficit spending, threatens to crowd out investments in infrastructure, healthcare, and education, much as Rome's finances strained its public works.

Currency Devaluation in Modern America

The U.S. dollar, untethered from the gold standard since 1971, has lost 90% of its purchasing power since 1960, echoing Rome's denarius debasement. The Federal Reserve's policies, such as quantitative easing, have expanded the money supply, inflating asset prices while eroding real wages. A dollar in 1960 is worth roughly 10 cents today, forcing Americans to grapple with rising costs for housing, healthcare, and education, much like Romans faced soaring prices for basic goods.

Asset Inflation and Inequality Rome's currency collapse concentrated wealth among landowning elites, while the U.S.'s asset inflation has enriched the top 1%, who holds 32% of national wealth. Stock markets and real estate, buoyed by low interest rates and stimulus, have soared, with median home prices reaching $412,000 in 2024, nearly five times median household income. This mirrors Rome's growing divide between patricians and plebeians, as ordinary Americans struggle with unaffordable housing and stagnant wages.

The Role of Military Overreach

Rome's overstretched military, deployed across far-flung provinces, drained its treasury, much as the U.S.'s global military presence, costing $700 billion annually, contributes to its deficit. Both empires relied on dominance to sustain economic power, but the costs of maintaining supremacy have proven unsustainable. In the U.S., defence spending competes with domestic priorities, exacerbating the debt crisis and limiting resources for social programs.

Political Dysfunction and Social Strains created Rome's economic woes and fuelled political instability, with emperors facing coups and civil wars. The U.S., while not at that extreme, exhibits growing polarization and distrust in institutions, driven partly by economic inequality. The wealth gap, worsened by asset inflation, has sparked populist movements and protests, reminiscent of Rome's social unrest. A 2024 survey found 60% of Americans cannot cover a $1,000 emergency, highlighting the fragility of the middle class.

The Risk of Hyperinflation and Collapse

Rome's hyperinflation crippled its economy, and the U.S. risks a similar fate through asset hyperinflation. Recent legislation, like the multi-trillion-dollar "Big Beautiful Bill," could flood markets with liquidity, driving stock and real estate prices to unsustainable levels. A potential stock market crash or real estate bubble burst could wipe out trillions in wealth, destabilizing the economy and echoing Rome's economic collapse.

If the U.S. fails to address its debt and currency challenges, it risks a modern equivalent of the Dark Ages—a period of economic stagnation, fractured social cohesion, and diminished global influence. A collapse in the dollar's value could undermine its reserve currency status, raising import costs and triggering inflation. Without fiscal reform, the U.S. could face declining living standards, crumbling infrastructure, and weakened institutions, much like post-Roman Europe.

Averting the Fall: Lessons from Rome

Rome's collapse was not inevitable but resulted from unchecked fiscal and monetary policies. The U.S. can avoid a similar fate through disciplined budgeting, tax reforms, and monetary restraint. Addressing inequality, curbing asset inflation, and investing in education and infrastructure could restore economic stability. However, political will remains a barrier, as short-term gains often trump long-term planning, just as they did in Rome's final centuries.

A Warning from History The fall of Rome, driven by currency devaluation and a debt spiral, serves as a cautionary tale for the United States. With a $37 trillion debt, a devalued dollar, and soaring asset prices, the U.S. risks repeating Rome's mistakes. The parallels—economic inequality, military overreach, and political dysfunction—are stark. Without decisive action, the U.S. could face a future of economic decline and social fragmentation, not unlike the Dark Ages that followed Rome's collapse.

The Spiral of Asset Inflation and Its Devastating Impact on the United States since the 1960s

Since the 1960s, the United States has undergone a profound economic transformation driven by asset inflation, a phenomenon where the prices of assets like stocks, real estate, and commodities rise faster than wages or general consumer prices. This process, fuelled by monetary policy, government spending, and structural economic shifts, has reshaped the nation's financial landscape, eroded purchasing power, and undermined affordability and quality of life for millions. The ballooning national debt, now exceeding $37 trillion, stands as a stark symbol of these excesses, with cascading effects on the stock market, real estate, the dollar, and the broader economy. This article explores the mechanisms of asset inflation, its historical trajectory, and the profound damages it has inflicted, culminating in a detailed examination of the debt crisis and the looming threat of hyperinflation driven by recent legislative spending.

In the 1960s, the United States was riding the wave of post-World War II economic dominance. The Bretton Woods system, established in 1944, pegged the dollar to gold and made it the world’s reserve currency, fostering stability. However, the seeds of asset inflation were sown as government spending surged to fund the Vietnam War and President Lyndon Johnson’s Great Society programs. Deficit spending began to climb, with federal debt rising from $286 billion in 1960 to $371 billion by 1970. To finance these expenditures, the Federal Reserve expanded the money supply, subtly inflating asset prices. The decoupling of the dollar from the gold standard in 1971, under President Richard Nixon, marked a pivotal moment. Freed from the constraints of gold, the Federal Reserve could print money at will, leading to an era of fiat currency. This shift enabled greater monetary flexibility but also unleashed inflationary pressures. Consumer prices rose, but more significantly, asset prices—stocks, real estate, and commodities—began to climb disproportionately, setting the stage for decades of wealth concentration and economic distortion.

The 1970s: Stagflation and the First Signs of Trouble

The 1970s brought stagflation, a toxic mix of stagnant economic growth and high inflation. The oil shocks of 1973 and 1979 drove up energy costs, while loose monetary policy fuelled price increases across the board. Real estate prices began their long ascent, with median home prices rising from $23,000 in 1970 to $55,700 by 1980. The stock market, however languished with the Dow Jones Industrial Average barely moving from 800 points in 1970 to 850 by 1980, as inflation eroded real returns. Purchasing power took a hit as wages failed to keep pace with inflation. The Consumer Price Index (CPI) rose at an average annual rate of 7.1% during the decade, while real median household income stagnated. For the average American, the dream of homeownership became more elusive, and the cost of living climbed. The Federal Reserve’s attempts to curb inflation with high interest rates under Chairman Paul Volcker in the late 1970s sent shockwaves through the economy, triggering a recession but failing to address the underlying structural issues of asset inflation.

The 1980s, under President Ronald Reagan, saw a shift toward deregulation and tax cuts, which supercharged asset inflation. The Economic Recovery Tax Act of 1981 slashed marginal tax rates, boosting disposable income for the wealthy and fuelling investment in stocks and real estate. The stock market boomed, with the Dow Jones rising from 950 points in 1982 to nearly 2,700 by 1987. Real estate followed suit, with median home prices reaching $89,200 by 1990.However, this wealth creation was uneven. The benefits accrued primarily to asset holders, while wage earners saw modest gains. The savings and loan crisis of the late 1980s, driven by speculative real estate lending, foreshadowed the risks of unchecked asset inflation. Meanwhile, federal deficits soared, with the national debt tripling from $900 billion in 1980 to $2.7 trillion by 1989, as tax cuts and military spending outpaced revenue. This debt-financed growth laid the groundwork for future economic instability.

The 1990s saw asset inflation accelerate with the dot-com bubble. Low interest rates and optimism about technology drove the Nasdaq to unprecedented heights, peaking at 5,048 in March 2000. Real estate markets also heated up, with median home prices climbing to $131,000 by 2000. Globalization, facilitated by trade agreements like NAFTA, kept consumer goods prices low but suppressed domestic wages, further decoupling asset price growth from income growth. The Federal Reserve, under Alan Greenspan, adopted a policy of easy money, keeping interest rates low to stimulate growth. This fuelled speculative investment, inflating asset prices while leaving middle-class purchasing power stagnant. The national debt continued to rise, reaching $5.6 trillion by 2000, as budget surpluses late in the decade proved fleeting. The growing disconnects between asset wealth and real income began to strain affordability, particularly in housing.

The 2000s: The Housing Bubble and Financial Crisis

The early 2000s marked a new phase of asset inflation, centred on real estate. After the dot-com crash, the Federal Reserve slashed interest rates to 1%, channelling capital into housing. Median home prices surged from $131,000 in 2000 to $221,900 by 2006. Subprime lending and financial innovations like mortgage-backed securities amplified the bubble, as banks extended credit to increasingly risky borrowers. The 2008 financial crisis exposed the fragility of this system. When the housing bubble burst, home prices plummeted, wiping out $7 trillion in household wealth. The stock market crashed, with the Dow Jones falling from 14,164 in 2007 to 6,547 by March 2009. The federal government responded with massive bailouts and stimulus, pushing the national debt from $9 trillion in 2007 to $11.9 trillion by 2009. While these measures stabilized markets, they deepened the debt burden and failed to address the root causes of asset inflation.

In the aftermath of the financial crisis the Federal Reserve embarked on quantitative easing (QE), purchasing trillions in bonds to inject liquidity into the economy. This policy drove down interest rates, propelling stock and real estate markets to new highs. By 2019, the Dow Jones had climbed to 28,000, and median home prices reached $313,000. However, wage growth remained sluggish, with real median household income rising only 10% from 2010 to 2019.QE disproportionately benefited asset owners, exacerbating wealth inequality. The top 1% of households, holding the majority of stocks and real estate, saw their wealth soar, while the bottom 50% struggled with stagnant wages and rising costs. The national debt continued its relentless climb, reaching $22.7 trillion by 2019, as tax cuts under President Donald Trump and increased spending added to the deficit. The dollar’s purchasing power eroded, with the CPI rising 18% over the decade, while essentials like healthcare and education outpaced general inflation.

The 2020s: Pandemic Spending and Debt Explosion

The COVID-19 pandemic unleashed an unprecedented wave of government spending, pushing the national debt to $37 trillion by 2025. Stimulus packages, including the $2.2 trillion CARES Act and subsequent relief bills, flooded the economy with cash, much of which flowed into asset markets. The stock market, despite a brief crash in March 2020, soared to record highs, with the Dow Jones surpassing 40,000 by 2024. Real estate prices followed, with median home prices hitting $412,000 in 2024.However, this stimulus-driven boom came at a cost. Inflation surged, with the CPI rising 8.5% in 2022 alone, the highest in four decades. The dollar's purchasing power plummeted, as everyday goods like groceries and gas became more expensive. Rent and housing costs outpaced income growth, making homeownership unattainable for many. The Federal Reserve's attempts to tame inflation with higher interest rates slowed the economy but failed to curb asset inflation, as speculative capital continued to drive up stock and real estate prices. The $37 Trillion Debt Crisis: A Ticking Time Bomb - the national debt, now exceeding $37 trillion, represents a profound threat to the U.S. economy and quality of life. Interest payments on the debt are projected to reach $1 trillion annually by 2030, crowding out spending on essential services like healthcare, education, and infrastructure. This debt, accumulated through decades of deficit spending, reflects a reliance on borrowing to sustain economic growth and fund social programs, tax cuts, and military expenditures.

The debt's growth has been fuelled by structural imbalances. Tax cuts, such as those in 1981, 2001, and 2017, reduced federal revenue, while entitlement programs like Social Security and Medicare face mounting costs as the population ages. Military spending, averaging $700 billion annually, and emergency measures like pandemic relief have further ballooned the deficit. In 2024, the federal deficit reached $1.8 trillion, with no immediate plan for fiscal restraint. Quality of Life Impacts: The Human Toll of Debt and Inflation - the $37 trillion debt has had tangible negative effects on Americans' quality of life. As interest payments consume a larger share of the federal budget, funding for public services has dwindled. Education budgets have stagnated, with per-pupil spending in real terms barely rising since the 2000s. Healthcare costs have soared, with premiums for family coverage rising 47% from 2010 to 2020, far outpacing wage growth. Housing affordability has reached crisis levels. In 1960, the median home price was 2.5 times the median household income; by 2024, it was nearly 5 times. Young Americans, burdened by student debt averaging $30,000 per borrower, struggle to enter the housing market. Renters fare no better, with median rents rising 20% faster than wages since 2000. The dream of homeownership, once a cornerstone of the American Dream, is increasingly out of reach.

The Stock Market: A Mirage of Prosperity

The stock market's meteoric rise, driven by low interest rates and corporate stock buybacks, has created an illusion of economic health. However, this wealth is concentrated among the top 10% of households, who own 89% of corporate stocks. For the average American, the stock market's gains offer little relief, as most lack significant investment portfolios. The Dow Jones's climb to 40,000 by 2024 reflects speculative fervour rather than broad-based economic strength. Market volatility, exacerbated by debt-financed growth, poses risks to retirement savings and pensions. The 2008 crash and subsequent recoveries have shown that asset inflation can lead to devastating corrections, wiping out wealth for those least equipped to absorb losses. Meanwhile, corporate debt, fuelled by cheap borrowing, has reached $13 trillion, raising concerns about systemic risks in the event of an economic downturn. Today we are way more leveraged, and the debt has ballooned. We are entering a debt spiral.

Real Estate: The Unaffordable American Dream

Real estate has been a primary driver of asset inflation, with profound consequences for affordability. In high-demand areas like San Francisco and New York, median home prices exceed $1 million, locking out all but the wealthiest buyers. Even in less expensive regions, rising prices and high interest rates have made homeownership prohibitive. The National Association of Realtors reported a homeownership rate of 65% in 2024, down from 69% in 2004.The ripple effects of real estate inflation are far-reaching. High housing costs strain household budgets, leaving less for savings, education, or discretionary spending. Gentrification has displaced lower-income communities, while homelessness has surged, with over 650,000 Americans un-housed on any given night in 2024. The debt-driven real estate boom has enriched property owners but left renters and first-time buyers struggling. The Dollar's Decline: Erosion of Purchasing Power. The dollar's purchasing power has steadily eroded since the 1960s. A dollar in 1960 is worth roughly 10 cents today, adjusted for inflation. This decline, driven by monetary expansion and deficit spending, has made everyday goods and services more expensive. Essentials like healthcare, childcare, and education have seen price increases far exceeding the CPI, squeezing middle- and working-class families.

The dollar's status as the world's reserve currency has allowed the U.S. to borrow at low rates, but this privilege is under strain. Foreign holdings of U.S. debt, particularly by China and Japan, have raised concerns about dependency on external financing. A weakening dollar, coupled with rising inflation, threatens to further erode purchasing power, making imports costlier and exacerbating cost-of-living pressures. Quality of Life: A Nation Under Strain - the cumulative effects of asset inflation and debt have taken a toll on Americans' quality of life. Economic insecurity has risen, with 60% of Americans reporting they could not cover a $1,000 emergency without borrowing, according to a 2024 survey. The gig economy, driven by stagnant wages and rising costs, has left millions in precarious employment, with little access to benefits or job security. Mental health has deteriorated, with anxiety and depression rates climbing alongside economic pressures. The opioid crisis, fueled in part by economic despair, has claimed over 70,000 lives annually. Life expectancy, a key indicator of societal well-being, has stagnated, with the U.S. trailing other developed nations. The debt crisis, by constraining public investment, has left infrastructure crumbling, schools underfunded, and healthcare inaccessible for many.

The Big Beautiful Bill: A Catalyst for Crisis

The recently passed “Big Beautiful Bill,” a multi-trillion-dollar spending package, represents a continuation of deficit-driven policies that have fuelled asset inflation. Touted as a bold investment in infrastructure, green energy, and social programs, the bill adds an estimated $3 trillion to the national debt over the next decade. While its proponents argue it will spur growth, critics warn it risks igniting hyperinflation in assets and deepening the affordability crisis.

The bill’s funding mechanisms, relying heavily on borrowing and monetary expansion, are likely to exacerbate existing imbalances. By injecting trillions into an already overheated economy, it could drive up asset prices further, particularly in real estate and stocks. The Federal Reserve, caught between inflation and growth concerns, may struggle to maintain control, potentially leading to higher interest rates that choke off economic activity. The threat of hyperinflation in Assets. Hyperinflation in assets, distinct from consumer price hyperinflation, occurs when asset prices rise at an unsustainable rate, detached from economic fundamentals. The Big Beautiful Bill’s massive spending could accelerate this trend, as stimulus funds flow into speculative markets. Stocks, already trading at historically high price-to-earnings ratios, could see further gains, creating a bubble ripe for collapse. Real estate, already unaffordable, could become even more inaccessible, with median home prices potentially exceeding $500,000 by 2030.The consequences of asset hyperinflation are dire. A stock market crash, triggered by overvaluation, could wipe out trillions in wealth, devastating retirement accounts and institutional investors. Real estate unaffordability would deepen, locking out younger generations and fueling social unrest. The dollar, under pressure from rising debt and inflation, could lose further value, increasing import costs and eroding living standards. The Unaffordability Crisis: A Looming Catastrophe. The combination of asset inflation and massive deficit spending is pushing the U.S. toward an unaffordability crisis. Housing, already out of reach for many, could become a luxury good, with homeownership rates falling below 60%. Renters, facing rising costs, may be forced into substandard housing or homelessness. The stock market, while a boon for the wealthy, offers little relief for the majority, who lack the means to invest.

Essential costs, from healthcare to education, are likely to rise faster than incomes, further squeezing household budgets. The Big Beautiful Bill, while promising long-term benefits, risks short-term pain by fuelling inflation and debt. Without structural reforms—such as tax increases, spending cuts, or monetary tightening—the crisis could spiral, with hyperinflation in assets triggering a broader economic collapse. Social and Political Fallout. The unaffordability crisis is already fuelling social and political tensions. Wealth inequality, exacerbated by asset inflation, has created a bifurcated society, with the top 1% holding 32% of wealth, while the bottom 50% hold just 2%. This divide has eroded trust in institutions, fuelling populism and polarization. Protests over housing costs and economic inequality have become more common, with cities like Los Angeles and Seattle reporting record demonstrations in 2024.The debt crisis, by limiting fiscal flexibility, constrains the government’s ability to address these issues. Austerity measures, if implemented, could spark further unrest, while continued borrowing risks financial instability. The Big Beautiful Bill, while politically popular, may deepen these divides, as its benefits are likely to accrue to asset holders while its costs—higher taxes, inflation, or debt servicing—fall on the broader population.

A Precarious Future: The United States stands at a crossroads. The $37 trillion debt, coupled with on-going deficit spending, threatens to undermine the nation’s economic foundation. Asset inflation, while enriching a minority, has eroded affordability, purchasing power, and quality of life for millions. The Big Beautiful Bill while ambitious risks exacerbating these trends, potentially triggering hyperinflation in assets and a full-blown unaffordability crisis. Addressing this crisis requires bold action. Fiscal discipline, through a combination of spending cuts and revenue increases, is essential to stabilize the debt. Monetary policy must balance growth and inflation, avoiding the excesses of the past. Structural reforms, such as zoning changes to boost housing supply or tax policies to reduce wealth inequality, could mitigate the effects of asset inflation. Without such measures, the U.S. risks a future of economic stagnation, social unrest, and diminished opportunity.

Since the 1960s, asset inflation and rising debt have transformed the United States, creating a wealthier but less equitable and affordable society. The stock market and real estate have soared, but at the cost of stagnant wages, eroding purchasing power, and declining quality of life. The $37 trillion national debt, amplified by measures like the Big Beautiful Bill, looms as a threat to future prosperity, with the potential to trigger hyperinflation in assets and a crippling unaffordability crisis. As the nation grapples with these challenges, the choices made today will determine whether the American Dream can be reclaimed—or lost to the excesses of debt and inflation. But we see this nation sadly coming to its final chapters because of the illusion of wealth and easy money. People do not want change or sound money, and we will just continue to lower our living standards.