Sovereign Money 101 Cheat Sheet

What Is Sovereign Money?

- Definition: Money created directly by a central bank without debt.
- Purpose: To fund public spending without borrowing from private banks.

Key Differences Between Sovereign Money & Bank-Created Money

Aspect	Sovereign Money	Bank-Created Money
Money Creation	Central bank only	Private banks create loans
Debt Impact	Debt-free issuance	Increases public and private debt
Accountability	Publicly accountable	Profit-driven
Economic Stability	Reduces boom-bust cycles	Prone to financial crises

How It Works

1. Central bank issues new money ? Spent directly into the economy.
2. Banks no longer create money as loans ? They only lend existing money.
3. Money is issued based on economic need ? Prevents excessive inflation.

Real-World Examples

- New Zealand (1930s): Funded public works debt-free.

- Swiss Vollgeld Initiative (2018): Proposed full reserve banking.

How It Benefits You

- Lower Public Debt: Less reliance on borrowing.
- More Public Services: Debt-free funding for schools, hospitals.
- Economic Stability: Reduced financial crises and speculative bubbles.

Action Steps

- Learn more: Positive Money UK (https://positivemoney.org)
- Start a conversation: Ask your bank how they create money.
- Share this Cheat Sheet to spread the word!

For more insights, visit themoneyquestion.org