

# International Security Ligue GA/LF 2025



## The Power of Cash!

By

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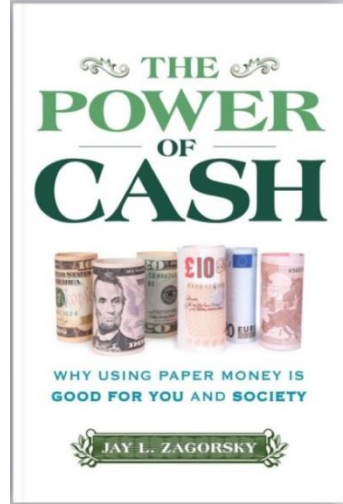
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# 60 Second Biography



- I was not always a cash advocate.
  - Once flew  $\frac{3}{4}$  around world on points.
- Became unpaid advisor to Fed’s “Survey of Consumer Payment Choice.”
  - Made me into advocate for paper money when I realized what is given up by swiping, taping and zapping payments.
  - Credit card rewards travel does not come from nowhere. Less financially sophisticated pay while financially sophisticated benefit. Reverse “Robin Hood.”
- Wrote book “The Power of Cash” to explain why paper money is needed. Summary at [www.thepowerofcash.com](http://www.thepowerofcash.com)
  - My advocacy is self-funded to prevent bias.

# Keeping Cash in Use

- The more society shifts to digital world, the more paper currency is needed. My book has many reasons. Top 5:
  - 1) Cash provides a strong national defense;
  - 2) Cash is a failsafe backup when electricity, communications and computers fail;
  - 3) Cash ensures everyone has some privacy;
  - 4) Cash makes people better off financially &
  - 5) Cash provides lifeline to those left behind by digital revolution.
- Cash's benefits only happen when it is kept in circulation and used!

# First Problem

- Starting in 1980s, amount of paper money in circulation in world increased dramatically.
  - Increase not caused by inflation
  - Not caused by increase in world's population
  - More in book's chapter 3
- People switched away from using cash to make purchases, but are holding increasing amounts for savings and protection. This leads to a major problem.

**Paper Money is not useful in an emergency if when an emergency happens no one can or is able to accept it as a means of payment.**

# Second Problem

- Proponents of cashless society are spending huge sums to convince people to abandon paper money.
  - \$1+ billion spent annually on advertising US credit cards
  - Plus \$\$\$ spent sending credit card offers in mail & plastering logos everywhere
  - Plus \$\$\$ spent advertising other cashless payment methods like Buy Now, Pay Later (BNPL)
- Advertising is incredibly effective.
  - Many people never carry cash anymore
  - Results in high profits for financial companies, society loss
- Almost no advertising done for cash.

# Why Keep Cash in Use?



- If electronic money is the highway, then paper money is the sidewalk. People need to walk on separate paths beside busy roads.
  - No matter how fast cars (or electronic payments) move there is a need for a transportation method (walking/cash) that is low cost, available to everyone (even those who cannot drive), and works no matter the weather.
- Locations without sidewalks have more accidents, are dangerous for children and the elderly, erode a feeling of community, and boost traffic.

# DETAILS ON THE FIVE REASONS CASH IS ESSENTIAL





# 1) Cash Helps National Defense



- Switch from physical cash to digital and electronic money is a national defense problem.
- Military know many ways of weakening or destroying an enemy without bombing it back into the Stone Age.
- One effective method is shutting down their economy.
  - The more a country uses electronic payments, easier it is for an enemy to cause widespread disruption.
  - More in my book's chapter 6

# Potential Wars

- If China invades Taiwan, there is a high likelihood cyberattacks on the financial system will happen to any country that comes to aid.


**CYBERSECURITY**

## What it will look like if China launches cyberattacks in the U.S.

Chinese hackers are likely to target U.S. military networks and other critical infrastructure in the event of an invasion of Taiwan.

Polymarket Search markets

Trending New Politics Middle East Sports Crypto

 Will China invade Taiwan in 2025?

\$3,935,413 Vol. Dec 31, 2025

**8% chance** ▼5%

- Europe is being threatened by Russia.

https://www.wsj.com/world/russia/russia-military-nato-europe-finland-ff53b912

THE WALL STREET JOURNAL.

## The Russian Military Moves That Have Europe on Edge

Putin is expanding bases and preparing to move more troops to European border regions far from Ukraine; 'we're expecting some conflict with NATO'

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By [Thomas Grove](#) Follow

April 27, 2025 9:00 pm ET

HELSINKI—With President Trump and many other world leaders preoccupied with the war in Ukraine, some Europeans are growing alarmed about what the Russian army has been doing much more quietly along other stretches of its border with Europe.

# What Can Ligue Do?



- Cash industry connected to politicians & bankers.
  - Jeff Thinner talking about Washington DC discussions
- Industry needs to **extend conversation to** a new key group....the **Military**.
  - Military understands soldiers worried about their finances or family's are not focused on their tasks.

## **Financial Stress and Mission Readiness**

Financial readiness is crucial to military preparedness, directly impacting operations.

- Imagine not getting paid during wartime.

## 2) Cash is a Backup

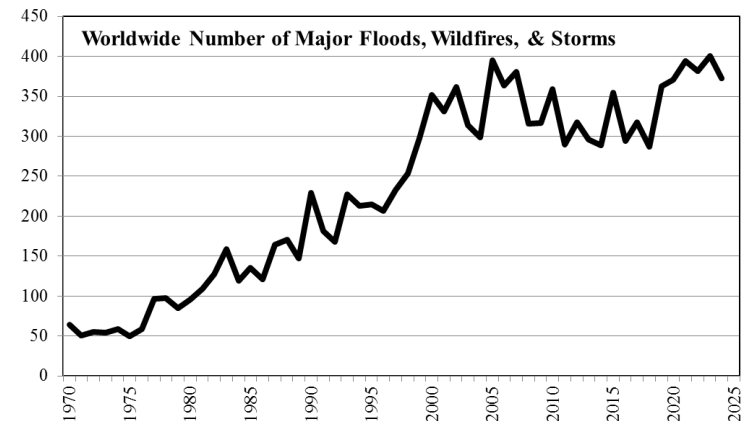
- Credit cards, debit cards, crypto-currency, mobile payments and other methods of moving money electronically depend on three legs
  - 1) Continuous Stable Electricity
  - 2) Robust Communication Networks
  - 3) Secure Computers
- All three are increasingly vulnerable.  
***Cash is a failsafe backup*** when natural and manmade disasters strike






# Backup During Natural Disasters

- Weather around the world is more unstable. Fires, floods, heat waves and other natural disasters becoming more common.
  - Increasing numbers of natural disasters make relying on electronic payments risky.
  - Paper money is a key tool for being prepared for any disaster precipitated by Mother Nature.
  - More in my book's chapter 5

Decade	US Avg Number Per Year	US Avg Disaster Cost
1980s	3	\$22 Billion
1990s	6	\$33
2000s	7	\$62
2010s	13	\$99
2020s	22	\$140






# Backup During Man Made Problems

https://www.nytimes.com/2025/04/28/world/europe/power-outage    Search

The New York Times

## *Widespread Power Outage Hits Spain and Parts of France and Portugal*

The blackout hit critical infrastructure like airports and caused transportation disruptions across Spain and Portugal. The cause of the outage was unclear.

https://www.nytimes.com/2025/04/17/us/puerto-rico-blackout-puerto-rico    Search

The New York Times

## *Puerto Rico Restores Some Power After Blackout*

It will take at least until Friday to fully restore electric service after a series of failures blacked out the whole island on Wednesday, officials said.

- Electronic payments do not work without electricity or communication!
  - See chapter 4

The New York Times

## *Finland Seizes Ship After Undersea Cable Is Cut*

The country's prime minister said the incident, the latest in a series of disruptions to undersea infrastructure, underscored the danger of a so-called Russian shadow fleet.

# What Can Ligue Do?

- Create Rapid Response Teams spanning countries. During disasters cash industry provides mobile fee free ATM's
  - Mobile ATMs need to be standalone (not use power or land based cell communication)
  - Mobile units hammer home message “Cash works during disasters!” Convince people of usefulness of cash during a crisis and they become long term users.



# 3) Cash Ensures Some Privacy

- Many people do not want their lives to be an open book for all to see.
  - Minor secrets like dieting, or where we went
  - Medium secrets about our age, origin, or gambling
  - Big secrets like hiding mental breakdowns, embarrassing illness, or sexual desires.
- Our purchases reveal many of our deepest secrets → Using Cash ensures privacy
  - See chapter 9

# Electronic Payments Enable Re-Identification

- A group of MIT researchers took 3 months' worth of anonymous credit card records for 1.1 million people.
  - Able to re-identify 90% of individuals.
  - Women easier to re-identify than men
  - More income makes re-identification easier.
- Merchant codes quite specific
  - Almost every airline and hotel chain has unique code.
  - Tell the world via social media you are staying in a Sheraton hotel, merchant code 3503; switched to a Hilton hotel, code 2501 and bought a pair of shoes, code 5661 and you are found in credit card data.



# Why Care about Privacy?

- Many of my MBA students tell me they don't care about privacy. They should since business is adopting "personalized pricing" AI programs.
  - You will pay more when price insensitive.
- Paying cash (and not signing in to loyalty programs) is simple method of defeating AI.
  - See chapter 10
- Watch my PBS News Hour interview  
<https://youtu.be/nKSPyWbTiX4?si=6cGMiTISKFdDTTJ3>



# What Can Ligue Do?


- Educate your workforce and the young about how cash provides privacy and helps other ways
  - Provide “Power of Cash” to mid-level & senior workers
- Create comic books for low-level and young.

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### Educational Comic Books



Our comic books are an engaging classroom resource for teachers to use in their social studies and economics lessons. Order a set for your classroom today!

English | Spanish

# 4) Cash Makes People Better Off

- Many people feel they are spending too much and not saving enough. Using cash helps reduce spending and boosts saving.
- Zellermayer (1996) found many people feel a tiny amount of pain, regret, or guilt when they spend cash - “pain of paying.”
  - Swiping a credit or debit card or using other electronic payments separates you from the physical act of parting with cash and does not cause the same kind or amount of pain.
  - See Chapter 7



# Impulse Control

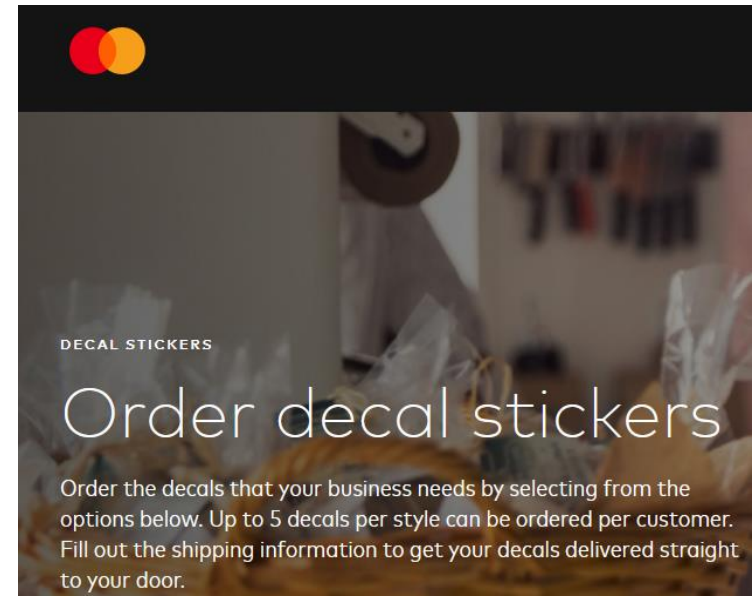


- “Behavioral Economics” shows people overvalue instant gratification and undervalue debts or payments made in future.
- Credit cards and Buy Now, Pay Later strategies exploit this bias:
  - Swipe, tap or click “okay” for instant gratification
  - Bill does not arrive until much later.
- Cash helps with impulse control because payment is made now. Helps save money.
  - US families with credit card balance pay about \$1,500 yearly in interest.

# What Can Ligue Do?

## Create “Cash” Logos as Reminder

- Visa, MasterCard and American Express splash logos on front of shop doors showing where cards are accepted.
  - Stickers available for free
  - <https://www.mastercard.com/brandcenter/en/order-decals>
- Cash industry needs to have ability for people to request “Cash Accepted” stickers too!
  - Quick search shows stickers ordered in bulk low cost. (< 20 US Cents).
  - Cost to industry is shipping, handling, and order processing.



# 5) Cash Helps Vulnerable

- All societies have vulnerable populations like the poor, immigrants, and elderly. Paper money is a powerful method of helping them.
- Vulnerable face problems getting + keeping accounts
  - KYC (Know Your Customer) rules. Banks need a mailing address, photo id and tax ID number to create an account
- Exclusion from Stores
  - Many places now state no cash accepted. Excludes people without debit / credit cards / mobile payments
- Reduces charity
  - Homeless asking for “spare change”

# Ligue Should Do More Advertising

- Other organizations use their trucks and TV screens to provide key messages



VS



VS



# Advertising Messages

- Connect with Social Media Influencers who are into “justice.”
- Message: To ensure cash doesn’t disappear, use cash at least once a week to help yourself, neighbors & country!



- Cash is like a muscle. If you don’t use it, it wastes away! Keeping it flowing ensures everyone has the ability to use it all the time.

# Does Cash Encourage Crime?



- By keeping cash around aren't we making corruption, laundering, tax evasion & terrorism easier?
  - Chapters 14 to 16 deal with these issues
- Quick answer: **NO**. Cash isn't causing crime. In cashless societies crime simply shifts.
  - Money laundering now also done via crypto
  - India's tax evasion didn't change after 2016 when it eliminated 86% of all cash
  - Japan is cash intensive society but least corrupt
  - Terrorism is low cost & not driven by cash

# Last Idea:

## Global Cash Day on 12th of March

- Why 12th of March? The international date is 123, which goes with idea:
- Website:  
<https://globalcashday.com/>
- Cash should be as easy to get, use and keep as counting to 1, 2, and 3.
  - Like many special days on calendar raising awareness such as Mother's Day or EU's Europe Day



Goal is do 3 things:

- 1) Get cash
- 2) Use cash
- 3) Talk about cash



# CONCLUSION



- Use cash personally at least once a week to help yourself, friends & country.
- Don't kill cash by raising prices to boost short-term profits.
- Ensure cash eco-system stays competitive and functional.

Questions?

Email me [Zagorsky@bu.edu](mailto:Zagorsky@bu.edu)    Connect on [LinkedIn](#)

Book's website: <https://www.thepowerofcash.com>