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The End of Zero Returns and the Last Dollar: Can New York State create a collective store of value, crowdsource wealth, and fund its colleges and universities using cryptocurrency?

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SUMMARY

This brief personal statement, citing the previous work of the Bronx Community College Cryptocurrency Research Laboratory (BCC Lab), advocates for a private New York State Money to fund New York State's public higher education. Attempting to shed most of the academic language and the formalities of research-driven writing, this short statement frames two distinct arguments. The first contention is that New York State residents need a means by which to store value outside of the traditional banking and financial systems due to massive Federal Reserve printing that is centered primarily on rescuing fledgling Wall Street profits and mitigating reckless businesses practices. Secondly, this statement explores how a Cryptocurrency, a peer-to-peer staking coin, could be one way for the New York State population to store its wealth while simultaneously funding New York State's higher education. Lastly, in the conclusion, the work reviews, and then adds as appendices, all of the preceding work of the BCC Lab on cryptocurrency and wealth generation, providing an overview of that work and calling for next steps in the research.

Keywords: Alternative Coin, ALTcoin, Bitcoin (BTC)

REVELATION AND THE DEEPLY PERSONAL

If you don't know, now, you know.
Biggie Smalls

It is rare for a public academic to fully scope-out the motivations and future directions for a research agenda. However, as I write these words in my neighborhood, it seems critical to do exactly that. As I look-up from my laptop, I am across from Mike's Diner on DeKalb Avenue and Saint James Place in Clinton Hill, Brooklyn and it is eerily silent, like much of New York City in the time of COVID 19. Mike's Diner is not too far from Christopher Wallace's, AKA 'Biggie Smalls,' childhood home and the grooming grounds in which he developed such artistically transcendent musical skills. Starting an academic financial paper with a twenty-five year old rap lyric might seem unexpected, but the lyric is speaking of a hidden knowledge that, suddenly, is revealed appears now both timely and prescient. This idea of revelation — of not knowing, and then immediately knowing —is the central theme of the current financial crisis. If you did not know that the financial system was broken, well, as Mr. Wallace may have informed us, now you know. The complicated question related to this revelation is what to do about this knowledge, and that is precisely what this personal statement aims to answer. For me, revelation related to how broken the financial system is only came in small doses; but with some luck, and persistence, eventually, there was a theophanic epiphany. That is, the revelation is the wealth-generating properties of the whole of cryptocurrency proper.

The Deeply Personal

I didn't choose to rhyme… rhyming chose me
Bubba Sparks

This personal research statement, a detailing of the exclusive and nearly single-minded study of cryptocurrencies' wealth-generating properties to fund education, is profoundly personal. And, yes, I did start this short section with another rap quote, yet the topic is not revelation but rather a specific, nearly predestined, career calling. In Bubba's case, it was a call to his version of rapping. In my scenario, the career calling is my journey, ever so strangely, into academic finance. During the last financial crisis, the Bronx Community College did not have a cryptocurrency research laboratory, since cryptocurrency had not yet fully launched, and finance was supposedly left to the professionals with Ivy League educations. I was a rather simple academic; pursuing my dreams, reading widely, writing extensively, and greatly enjoying the challenges of academic life.

My research interests started to change in the fall of 2008 when I learned about the Troubled Asset Relief Program (TARP) on my commute to my college, when transitioning my listening from Homer's *Odyssey,* of all things, to a news program. It was hard for me to fully comprehend all of the financial resources that were being offered to the banks. In particular, since all of these resources were being paid for by the American public, I thought that these offerings seemed particularly favorable to Wall Street. Moreover, in the spring of 2009, when learning of the AIG and bank bonuses paid that year—a series of events that likely institutionalized moral hazard—I unintentionally started a new research agenda out of a focused anger. It was hard to idly watch Bank of America, CitiGroup, Goldman Sachs, and Morgan Stanley, among others, pay bonuses while simultaneously receiving funds from the government. Louis Story and Eric Dash, in one among many of the stories written in the wake of the

2008 TARP Program and the 2009 Bailouts, detailed this complex web that, in essence, used government funds to perpetuate the ever-thinning veneer of fairness applied to Wall Street profits. Additionally, highlighted with a due level of nearly comic irony, Goldman Sachs was completing its colossal, fortress-like headquarters — encompassing over two million square feet of real-estate in Manhattan's financial district—at the height of the *Great Recession*. Complete with a $5 million dollar Julie Methretu mural in its lobby, the Goldman Sachs' headquarters embodied the type of profound paradox that is Wall Street's relationship with America. Goldman could build a modern day castle —a monument to what was once known as investments banks — while it simultaneously received billions of dollars of corporate welfare, sponsored by the American public. Yet, now this full moral hazard was standard fare, and as cynically as I viewed the circumstances of the *Great Recession*, the question became, what could I do?

Now, however, more than a decade later, like the *Odyssey*'s tragic Odysseus, I have been on my own New York-centered odyssey into academic and corporate finance. I have been studying money, almost undividedly, for longer than I care to recount, since my insights have been slow and progress achieved only haltingly. Yet, in spite of such study, the gaps in my knowledge about corporate finance are both apparent and, sadly, wide-ranging. However, there is one, nearly supreme, advantage about cobbling together my own financial education from YouTube and Udemy: I am beholden to no orthodoxy. Although no one in our research lab is a trained economist, trained academics are not needed to know that the policies of the Federal Reserve are likely leading all New Yorkers into debt peonage. In fact, the events of March 2020 seem to align with a type of forced debt enslavement of all New Yorkers, and Americans, to Wall Street. A person does not need to be a trained expert to realize that when the Federal Reserve notes that there will be 'unlimited amounts of cash available to Americans' that it means more Wall Street bailouts. The Federal Reserve is not offering Rasheen from Lafayette Gardens that type of help nor is that type of assistance being offered to Mike from Utica, New York. The Federal Reserve, and now nearly all federal policy makers, yet again, at the taxpayer's expense, are going to bailout Wall Street.

Informed by the work of David Graeber (2011), this personal statement centers on direct action. A team of developers and I are proposing a way to fund the City University of New York (CUNY) and the State University of New York (SUNY) by making purchases with, and storing value in, a staking cryptocurrencies. Staking Coins are also known as an alternative coins (ALTcoin). Generally speaking, an ALTcoin refers to any cryptocurrency other than Bitcoin. The years of published research on wealth generation from our lab summates into this: proposing that ALTcoins can be a type of private money used in New York State.

By using ALTcoin's unique purchasing and banking infrastructure, New Yorkers can create a financial store of value for all New York State residents. Additionally, this direct action proposes using crowdsourcing as a means to generate wealth in order to raise one-tenth of CUNY's and SUNY's collective budget, roughly five billion dollars, for the academic year 2025-2026 by September 1, 2025.

In 2008, like now, it is so undeniably apparent that the financial experts are speaking, and more pointedly enacting policies, that unashamedly support their own interests. This current iteration of dramatic money printing seems to have few provisions for the average New York State resident who simply needs to store wealth. All of New York State must react against the policies of the Federal Reserve. And, admittedly, at best, the support of private money is a utopian dream and at worst is a crime. Yet at the heart of all New Yorkers—from the Bronx to Barneveld—Brooklyn to Buffalo—Manhattan to Massena—Queens to Queensbury—and Staten Island to Syracuse—are two central attitudes: we love freedom, and we do not greatly care what the government thinks. Lastly, in response to the Federal Reserve's pronouncements that will invariably lead to any number of politicians supporting unlimited cash to assist Wall Street, I can only offer a slightly revised line from Brooklyn-born philosopher Sean Carter: 'I am from New York, stupid, what kind of facts are those?' Now, having cited my third rap lyric, I will end with a simple statement to more bailouts for Wall Street: I resist.

Edward Lehner, 5:58 AM, April 7, 2020

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