World among american citizens. majority of the

World societies were normally structured and governed through specific systems. However, none of the administration arrangements demonstrated a sense of fairness to the societies. Egalitarianism, communism, free enterprise, and modern open-mindedness governance systems were exposed as unfair.

Les Leopold, in his book The Looting of America, proposed a theory on how the 2008 financial depression occurred. Capitalism in America had lost its known definition among the citizens. More so, a recent bail out of the complete financial segment in the American economy perplexed most Americans. The capitalism governance system in the world had been transformed especially in the financial sector. Modern capitalist societies encouraged accrual of enormous wealth, provided financial guarantee to risks taken by the wealthy and evaded accountability for society wellbeing. Characteristics of the modern American capitalist system demonstrated unfair practices. Governance practices that cushioned the American economy against collapse were ignored.

Profits accumulated by the wealthy were not success of businessmen. However, the proceeds gained were endowments provided by the regime. The governance trend had resulted in bitterness among American citizens. Majority of the wealth buildup activities were carried out by associates of the modern society. The wealthy had always thrived on society unresponsiveness to financial systems manipulation. Measures that established an expanded taxation bracket and included the wealthy would have generated sufficient funds for the society.

Advancement in taxes might have cut wealth of the rich and provided increased resources to the public. America had existed in a situation where most of the national proceeds were handled by the few wealthy citizens. The earnings inspired a dream money club on Wall Street. Earlier in American history, President Roosevelt regulated the financial sector with monetary reforms. A great financial depression and Second World War condensed the society’s earnings divide. Amount of finances for the dream money club on Wall Street had reduced. However, the earnings allocation stabilized until President Regan liberated the wealthy by slashing taxes, extensive liberalization, and smashed employment.

The move by President Regan started the dream money club that contributed to the investments and credit disaster, amalgamation obsession, the dot-com simmer and ruin, shelter and imitative simmers, and the recent dream money collapse of 2008. Ultimately, absence of improved rallied resistance and logical option to distribute resources continued to fuel the dream money club. Deviation of output and earnings, rejection of firm distribution of income, and regular repositioning of great amounts of wealth from the people to a few selected rich persons had led to a faulty financial system. Wealth transfer was carried out through the American government. Apparently, false circumstances were developed where business financiers lacked investment opportunities in the physical financial system. Consequently, financiers discovered methods that spent money in expectations, formulated poor speculations to appear admirable, and risked money belonging to citizens in idealistic ventures.

According to Les Leopold's assumption, the origin of modern financial downturn was a divide between output and actual income. The divide started enlarging in the 1970's. Income derived from production activities was directed to top business tycoons as opposed to the employees. A rejection of balanced income split to employees, measured relocation of colossal finances to an extremely rich group of people resulted in a financial imperfection. The huge amounts of money were relocated to the wealthy via the government. Consequently, a circumstance in which financiers could not get new ventures to invest in was created. In mid 1940's and early 1970's rates of production were on the increase and businesses employed more labor to broaden the profitability scale. Increased employment in the businesses forced employment upwards.

In later years, large business reduced the profits plough back into their trades. Financiers retained their earnings resulting in a percentage rise of money owned by the society's top brass. The wealthy begun to seek for substitute income sources to invest the additional money with large profitability. Thereby, a period of imagined monetary systems, directed by imitations, was developed.

Billions of dollars overflow into a money club financial system stimulated chancy gambles and the home business flare-up. The wealth financiers and their firms made extraordinary profits through the novel trade. Employee's income levels fell, liabilities inflated, and end user expenditure lingered. Actual trade activities lacked money lending services as financiers opted for dream money clubs with increased profitability.

Economic mechanisms developed by financiers seemed much secure than conventional investments. Finances were invested into innovative businesses and protected home credit facilities. Furthermore, a steady investment shift was directed towards counterfeit home credit facilities. The counterfeit financial mechanisms attracted huge sums of money that could have been utilized in other real investments.

Gradually, the money generating mechanisms flourished. An economic outlook was created, especially, in the home market. Money availability was increased and the financiers raked in large amounts of money in fees and profits. Financial division of the American economy developed into the most lucrative section. Forty percent of commercial income was created in the monetary division of the American economy. However, the income generated was later discovered to be false.

Reports indicated that a few years before the economic downturn of 2008, the financial division of the American economy had an income of 300 billion dollars. Apparently, all the earned proceeds were spent in wages and bonuses. Financiers devoted money into financial mechanisms based on counterfeit validations. An artificial profitability mark-up was attached to the financial instruments so as to attract investments. The complicated copied financial instruments were a beneficial to the financial organizations. The New York Times reported that income accrued by major profit-making investment institutions was three hundred and five billion dollars in 2004 to 2007.

Nevertheless, the investment institutions have recently struck out their appraisals on lending's and property by a similar quantity. Evidently, gains by the investment institutions must have been artificial. As soon as the dream simmers erupted and the imaginary gains lost, the investment institutions were in receivership. The American national administration interceded to prevent a global financial disaster. Financial investment organizations developed crafty money generating products that were directed at benefiting the wealthy.

The economic instruments were speculations based on false projections. American economic analysis information concluded that the downturn was as a result of home credits owned by deprived citizens dangerously invested by irresponsible investors who ought to have had facts. Roughly one trillion dollars value home credit was issued. Three hundred billion dollars of the invested money were in non-payment. The financial mess resulted in an economic crisis that nearly affected the global economic system.

American citizens were required to bail out investment banks to prevent a collapse of the county's financial system. In 2007, seven hundred thousand dollars was invested in amenities, skills and prospects for pupils of Whitefish Bay high school. The expenditure arrangement benefited the students as 94% of Whitefish former students preceded on to university right away. Whitefish Bay high school had accountability monetary standards.

However, similar to other institutions, responsibility burdens overwhelmed Whitefish high school. Whitefish high school was located in a wealthy neighborhood and the residents, occasionally, chose to bail out the school.

The Whitefish Bay town residents sought after a rewarding investment with low risks. Wall Street investors, on the other hand, focused on learning institutions such as Whitefish Bay high school's dependence resources. Wall Street financiers anticipated to convince the institutions not to put away money in government securities. The amount of the schools trust funds was prized at one hundred billion dollars countrywide in 2006. Wall Street financier's ground-breaking investments were much more rewarding. A provision and requirement need was thus created and seemed as an ideal equal.

In contrast, Wall Street homes speculation were lost subsequent to investment of the one hundred billion dollars set aside by learning institutions as dependence finances (Leopold 2009). Financiers developed a concept of investing other people's money in idealistic ventures. Nonetheless, the Wall Street investors focused on fantasy investment plans that had no forecasted growth. The investors had ulterior motives to enrich themselves and other wealthy colleagues. The real estate industry had grown rapidly and was a bubble waiting to burst. Financiers developed investment mechanisms that lured institutions into devoting their finances. Speculative ventures with attractive profit margins were developed by investors as dream investment instruments. Subprime mortgages were mostly targeted by the crafty investors.

Obviously, the world economic downturn experienced in 2008 was initiated by fantasy investments by financiers. Money earned by average citizens was invested in false ventures to enrich the wealthy at the expense of the poor in society. Subprime mortgages were heavily financed which led to an indifferent economic equation. Supply of homes exceeded demand hence drop in house prices. In a period of three decades, investors diverted money from productivity ventures into dram money clubs. The ripple effect on employment and wages left ordinary citizens in an awkward economic circumstance. Sadly, a possible collapse in the economy required bail out from the deprived citizens.

American government had few options that could rescue investment banks and avoid a possible disintegration of the financial system. The 2008 world financial downturn was destined to cause havoc to major global economies. Media reports that blamed other economic sectors, other than the financial sector, were far fetched. Unscrupulous financiers developed greed for large profits by investing in speculative ventures. A system of public management of resources ought to be adapted.

Conventional investments in production and services had a beneficial effect on citizens. Employment had dropped drastically in recent decades based on poor investment plans. Infrastructure, industry, and services were regarded as real economic ventures. A vibrant financial system dealt with tangible assets as opposed to speculative undertakings. Modern investors focused on the financial sector without solid foundations that would support growth. Exponential growth patterns resulted in a near global catastrophe. Les Leopold had a reliable analysis of the financial damage caused by fantasy investors.

The looting of America book captured the essence of the past three decades of the American financial system. The manuscript concentrated on perceptions, assumption, and outcomes related to the 2008 economic downturn in America. Information obtained from Les Leopold’s manuscript was valuable for understanding how the American financial system had been raided by selfish investors.

Reference List

Leopold, Les. 2009. The Looting of America.

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