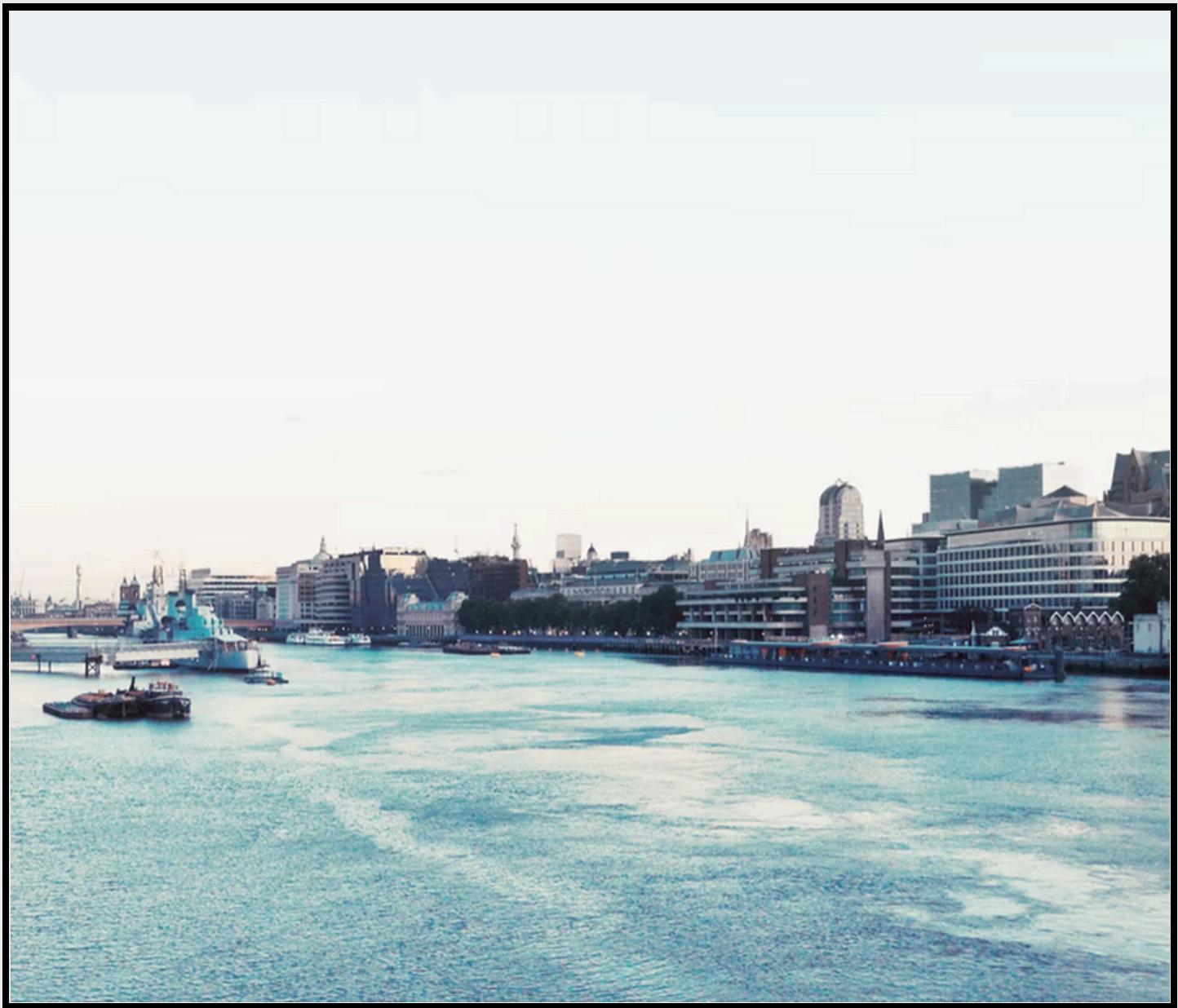


# NEXT INVESTOR

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# HOW FINANCE IS SHAPING GLOBAL POWER STRUGGLES

## Sanctions, SWIFT, and the geopolitics of money

In today's world, power is not just about armies or weapons—it's also about money. Countries increasingly use financial tools to influence global politics, turning banks, currencies, and trade into instruments of strategic power. This new kind of economic warfare is reshaping international relations in profound ways.

One of the most powerful weapons in this financial arsenal is economic sanctions. Instead of firing missiles, governments freeze assets, block trade, and cut countries off from global payment systems. The U.S. and its allies have used sanctions against nations like Iran, North Korea, and Russia to punish aggression or force political change without direct conflict.

The 2022 invasion of Ukraine showed the extreme power of these measures. Western countries froze hundreds of billions of Russia's foreign reserves and banned major Russian banks from SWIFT, the secure network that handles international financial messaging. This severely limited Russia's ability to conduct business worldwide and pressured its economy.

SWIFT is a vital part of the global financial system, acting like a communication hub for banks around the world. Cutting a country off from SWIFT is like isolating it from the global economy. Iran experienced this in 2012, and Russia faced a similar fate in 2022. These actions force targeted countries to seek alternatives, such as China's Cross-Border Interbank Payment System (CIPS), signaling a shift toward a more fragmented financial world.

The dominance of the U.S. dollar as the world's reserve currency gives America immense power to enforce sanctions and influence markets. However, this power comes with risks. Countries like China and Russia are actively working to reduce their reliance on the dollar, promoting alternative currencies and digital payment systems. If successful, this "de-dollarization" could weaken U.S. economic influence over time.



Financial power is a double-edged sword. While sanctions can pressure regimes, they can also provoke retaliation and destabilize global markets. Supply chains, energy prices, and investments are affected by these financial battles, showing how deeply economics and geopolitics are intertwined. As finance becomes a key battleground, understanding these dynamics is essential. The global economy is no longer neutral ground—it's a complex field of power, influence, and strategy where money itself is a weapon. In this new era, financial literacy isn't just about managing your wallet; it's about understanding how money shapes the world.

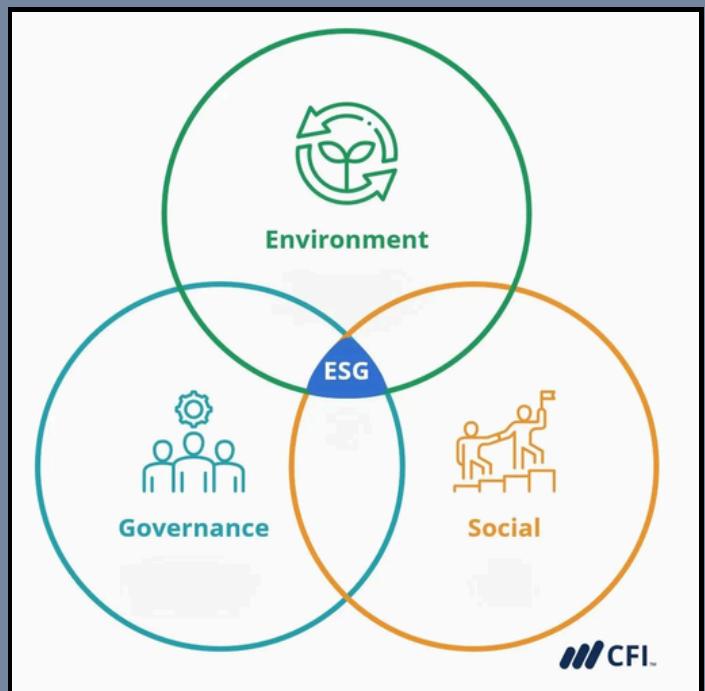
# ESG OR JUST PR? A CRITICAL LOOK AT SUSTAINABLE INVESTING

When profit meets purpose—or when it doesn't.

Sustainable investing is booming. From major institutions to individual investors, more people are turning to ESG—Environmental, Social, and Governance—criteria as a way to align their portfolios with their values. ESG funds promise to reward companies that prioritize clean energy, fair labor practices, and ethical leadership. But as ESG becomes a \$35+ trillion industry, critics are asking: how much of it is real impact—and how much is just good marketing? At the heart of the problem is inconsistency. ESG ratings vary widely between providers, such as MSCI,

Sustainalytics, and S&P Global. One company might score high for environmental performance while being penalized for poor labor practices—making it difficult to determine its overall sustainability. Tesla, for example, is hailed as a green leader for producing electric cars, yet has received low ESG scores for governance and employee relations. Without a universal standard, ESG becomes confusing at best, and misleading at worst.

Then there's the issue of what's actually inside ESG funds. Many popular ESG ETFs hold stocks in companies like ExxonMobil or McDonald's. These holdings are often justified using a "best in class" approach, where companies are judged relative to their industry. So an oil company might be considered ESG-friendly simply because it's cleaner than its peers, not because it's truly sustainable.



Regulatory bodies are beginning to respond. In the U.S., the SEC has proposed new rules requiring companies and fund managers to clarify ESG claims. The EU's Sustainable Finance Disclosure Regulation (SFDR) goes even further, demanding clear definitions and transparency from fund providers.

ESG has the potential to drive positive change. But for it to work, investors must look beyond labels and ask deeper questions: How are scores calculated? Are the claims measurable? Do the companies' actions reflect their marketing? If ESG is going to matter, it needs more than good intentions—it needs accountability, transparency, and a demand for truth.

# THE HIDDEN COST OF INSTANT PAYMENTS

VENMO, ZELLE, AND THE PSYCHOLOGY OF FRICTIONLESS FINANCE



Peer-to-peer payment apps like Venmo, Zelle, and Cash App have transformed how we transfer money—fast, convenient, and nearly effortless. But beneath the surface of this fintech revolution lies a deeper impact on financial behavior and system stability.

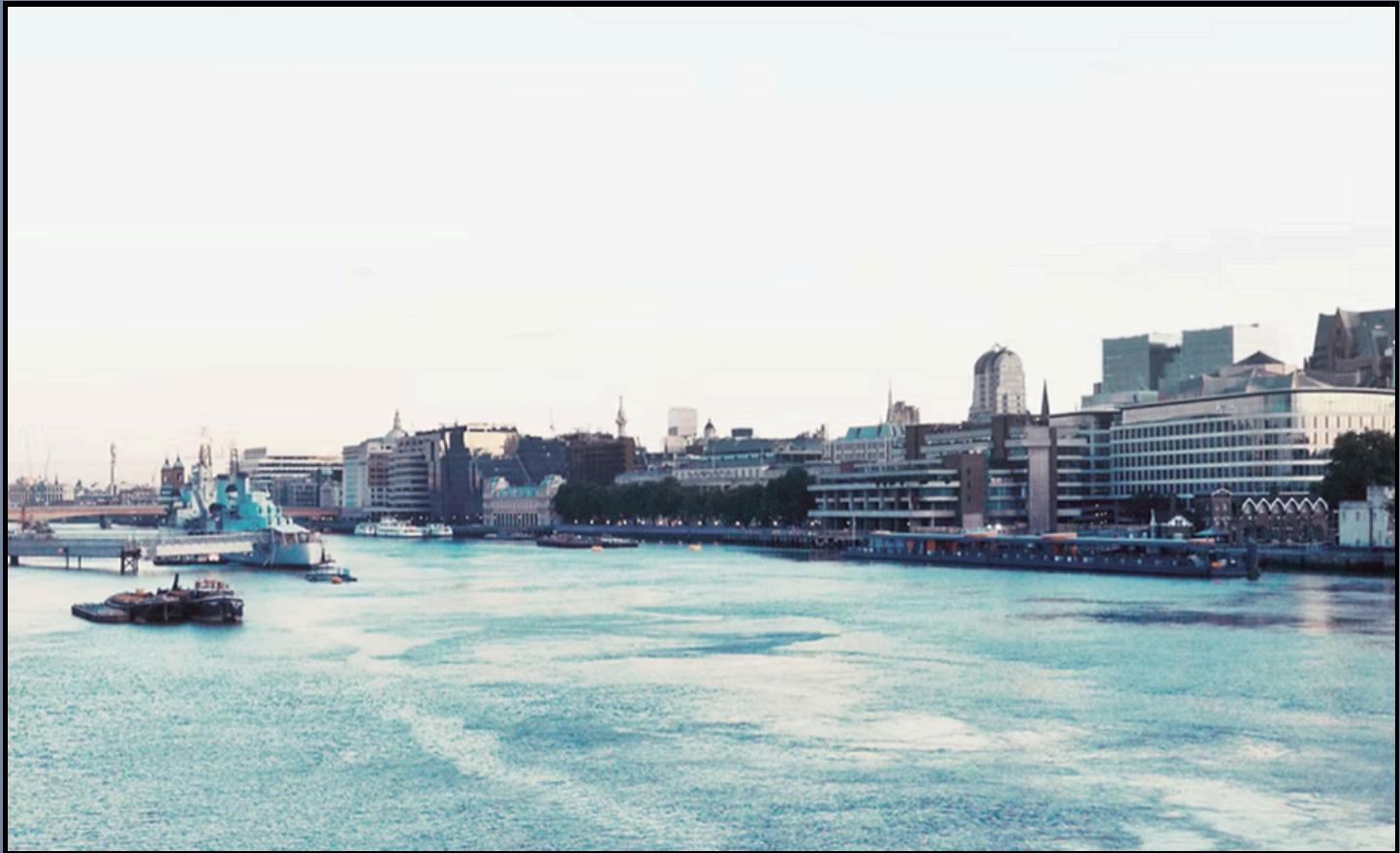
The biggest shift? Frictionless spending. Psychologists call it the “pain of paying”—a feeling dulled when transactions are invisible and instantaneous. That missing pause leads to more impulsive purchases and weaker budgeting. Social features, like Venmo’s feed, normalize casual spending and can pressure users—especially teens—to keep up with peers.

These platforms also reduce financial control. Many users, particularly younger ones, find it harder to track their finances as money flows in and out without warning. Add in features like “buy now, pay later” or linked debit cards, and you’ve got a perfect storm of convenience and risk. Fraud is another concern.

Unlike banks, P2P apps often lack strong protections or dispute mechanisms. Once money’s sent, it’s usually gone. Regulators have struggled to keep up with fintech’s pace, leaving users vulnerable in a patchy oversight landscape.

Traditional banks are scrambling to adapt, launching real-time tools like Zelle to retain users. But the bigger question remains: are we becoming too fast for our own financial good?

As digital payments become the norm, understanding the psychological, behavioral, and systemic risks is critical. Because sometimes, saving a few seconds comes at the cost of long-term stability.



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