

REAL Capitalists Move Our Money from Big Banks to Credit Unions

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Believe in Free Market Capitalism? Then Move Your Money!

Conservative free market entrepreneurial capitalist Karl Denninger [notes](#):

If you have an account at a **BANK**, go move it to a **CREDIT UNION**.

You know, a place that you **own** and is a mutual association of people?

Yes. One that **you** own. Where the fees assessed go to provide services to.... **you**, not to feather the nests of bank executives and stockholders.

Denninger is right.

As HowStuffWorks [points out](#):

Banks are for-profit companies. They make money by charging interest on loans, collecting account fees and reinvesting all that money to earn more profit. But as for-profit companies, they also pay state and federal taxes.

Credit unions, on the other hand, are not-for-profit institutions. Technically, credit unions are owned by their account holders, known as **members**. Any profit earned by a credit union is either invested back into the organization or paid out to members as a dividend [source: [Federal Reserve](#)]. As a not-for-profit institution, credit unions pay no state or federal taxes, meaning they can charge lower interest rates than banks for most financial services.

Real free market, capitalist entrepreneurs want to own and control our own capital. With credit unions, we do so.

Moreover, the big banks no longer do very much traditional banking. Most of their business is from financial speculation. For example, [less than 10% of Bank of America's assets come from traditional banking deposits](#). Instead, they are mainly engaged in financial speculation and derivatives. (and see [this](#)).

Credit unions and small banks, on the other hand, are mainly engaged in traditional banking functions like storing deposits and making loans to Main Street.

As I noted [yesterday](#):

1. The [only way to save the economy is to break up the giant, insolvent banks](#)
2. The [bought-and-paid-for politicians](#) refuse to do so (because ... drumroll, please ... they're bought and paid for by the big banks)
3. So [we'll have to do it ourselves](#)

No wonder [churches](#), [local governments](#), [community groups](#), [prominent business men](#) and others are divesting from the big corrupt banks.

The big banks are not engaging in capitalism ... rather, they are engaging in [socialism](#), [fascism](#), [looting](#), [kleptocracy](#), [oligarchy](#) or [banana republic behavior](#) (depending on your preference of wording).

On the other hand, smaller banks are engaging in capitalism – and are actually [allocating capital to entrepreneurs](#) (what banks are supposed to do).

If we downsize the giant, socialist banks, the [small banks will thrive](#), thus reinvigorating the entire economy ... saving capitalism in the process.

Real capitalists will move our money away from the giant, socialist banks and to credit unions ... where we own and control our capital.

And where our hard-earned money works for us, instead of being gambled and thrown away in the global casino.

Dislike the Fed? Then Move Your Money!

Conservatives and libertarians dislike the Fed, because it warps the free market.

People who dislike the Fed should move their money out of the giant banks, as that is one of the most effective ways to undermine the Fed's power.

Specifically, [ending the Fed and reining in Wall Street are two sides of the same coin](#). While even [top-drawer economists say we must end the Fed](#), and many libertarians [argue that ending the Fed would "change everything"](#), the [Fed is the big banks and the giant banks are the Fed](#).

It will be *impossible* to pressure Congress to end the Fed as long as [the giant banks have purchased Congress lock, stock and barrel](#). The dinosaur banks will pressure their water-carriers in Congress to not only keep the Fed alive, but to give it **[more and more powers](#)**.

So all those who want to end the Fed should also support the Move Your Money movement and divest their funds from the giant banks, because only then will it be possible to end the [take away the Fed's main supporters: the giant banks](#).

As Charles Hugh Smith [noted](#) recently:

There are only three things–and only these three–that will cripple Wall Street's

democracy-killing concentration of wealth and power:

1. Transfer the 99%'s money out of Wall Street and the Too Big To Fail Banks

2. Remove campaign contributions from our democracy in a way that the corporate legalist lackeys in the Supreme Court cannot overturn, i.e. entirely publicly financed elections

3. Abolish Wall Street's dealer, pusher and protector, the Federal Reserve.

My reasoning is very simple:

Everything else people want to see happen cannot happen if:

1) Wall Street and the SDI (systemically dangerous institutions) a.k.a. too big to fail banks, control most Americans' financial assets and debts

2) The Federal Reserve exists to enable and protect the SDI's wealth and power via Primary Dealers, the discount window and other pusher/dealer mechanisms

3) Wall Street and the other SDIs can use the billions of dollars they skim from our accounts, IRAs, 401Ks and pensions to buy political influence and protection from regulation and competition.

Therefore these are the necessary foundations of any real change.

As long as Wall Street and the other SDIs control much of the nation's financial markets, assets and debts, and the Federal Reserve exists to protect and enable their predation and parasitic skimming, they will have the means to reap billions in profits which can then be funneled into our cash-corrupted political system of for-sale toadies and apparatchiks.

If we don't end the Fed, it will keep propping up the Wall Street con artists.

If we don't downsize the giant banks, they will keep propping up the Fed.

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