- Expand Supreme Court
- Battle for speakership
- Political Affiliation and anti-discrimination laws
- America’s Housing Affordability crisis
- Rebound of non-renewable fossil energy
- Cryptocurrency
- Circular economy

Spring ‘23
CONTENTS

01
Should We Expand the Supreme Court?

02
Analysis of Fossil Fuels and the Economy

03
America's Housing Affordability Crisis

04
Should Political Affiliation Be Included With Anti-Discrimination Laws?

05
Making Sense of Cryptocurrency

06
The Circular Economy Is Not Pointless

07
What Kevin McCathy's Battle for Speakership Really Reveals
Readers:

As we head into the longer and warmer summer days, we here at The Currency are honored that you (the reader) picked up this issue!

The Currency is a publication dedicated to the civic fields of economics, politics, and finance. In producing this publication, we hope to provide a platform for students to voice their opinions on these subjects, and hopefully inspire others to research and develop their own well-crafted ideas. We want to again thank our writers for volunteering to write (and draw), our hardworking masthead, our faculty advisor, Mr. Ned Gallagher, and lastly, all our terrific readers for their support and reading of our publication. Happy reading! Stay tuned for the new masthead.

Yours,
Sofia Muñoz (Editor-in-Chief)
Michael DiCostanzo (Editor-in-Chief)
In 1937, President Franklin D. Roosevelt proposed the Judicial Procedures Reform Bill. Otherwise known as the “court-packing bill”. Roosevelt was dealing with the Great Depression economic crisis and thought that adding more justices to the court was the solution he needed in order to pass his New Deal Legislation. In today’s American society, we are faced with a different national dilemma: hyperpartisanship.

In today’s political climate, the idea of compromise between parties in Congress is obsolete with the exception of bipartisan legislation regarding the Covid-19 pandemic. In order to gain support for their legislation, some Democratic lawmakers have turned to Roosevelt’s proposal and brought back the discussion of packing the Supreme Court into today’s political conversation. The New York Times suggests that the death of Justice Ruth Bader Ginsberg revived the long-debated discussion. The packing of the Supreme Court is mostly supported by progressive-leaning politicians like Elizabeth Warren. However, this idea receives criticism from both parties. Speaker Nancy Pelosi said that she had “no plans to bring it to the floor.” Pelosi is referring to the 2021 proposal made by Sen. Ed Markley, Rep. Hank Johnson, House Judiciary Committee Chairman Jarrold Nadler, and Mondarie Jones to expand the Supreme Court from nine justices to thirteen.

While the proposition holds merit, additional justices should not be added to the United States Supreme Court. Even though the Supreme Court is flawed, packing the court is not a solution. The addition of more justices would make the current hyperpartisan court even more so. Packing the Supreme Court opens political floodgates that would not benefit the good of the country. The Supreme Court’s political views have shifted with those of the hyperpartisan citizens.
An example of this is the recent decision to overturn Roe vs. Wade. According to NPR, 64% of adults in the United States oppose overturning Roe vs. Wade. As the Justices are not elected by the people but rather nominated by the President and confirmed by the Senate, Supreme Court Justices are supposed to hold their political beliefs aside and make the best constitutionally accurate decisions. If more justices were added, the possibility of supermajorities rises. When FDR proposed packing the court, he did it with the hope of passing New Deal legislation to help the country out of the Great Depression. With the current trend of the court, they could use more justices to overturn rulings regarding the rights of American citizens. Justice Clarence Thomas has even suggested overturning the right to gay marriage in the future. What is going on right now is frustrating but we need to advocate for more practical changes to the court, and trust that the democracy put in place by our Constitution works and that it can do its job. America can survive a court that does not represent the views of the majority of its citizens. Packing the Supreme Court when an unpopular group of judges presides would possibly create a temporary solution for the majority party, but create a lasting political nightmare.

Assume the Supreme Court was packed. It can be done so constitutionally. So when would it stop? Depending on the number of justices that retire during a President’s time in office, a supermajority could be developed. The methods of appointing judges are already flawed. This method of regulating the Supreme Court is too unpredictable. A more concrete method is necessary in order to create a positive non-partisan change in the Court that benefits the people of America as a whole, not a singular party. One possible solution could be to limit the term of a Supreme Court justice. A life term is very un-American and un-democratic. The president’s term was not limited until the 22nd Amendment to the Constitution in 1951. This is relatively late in the country’s history. FDR pushed the boundaries of a presidential term, and after his passing, Congress was quick to fix this loophole in the Constitution. The Supreme Court has become the founding fathers’ highly partisan nightmare.
Limiting the Justices to terms could be one step closer to achieving political balance on the court by providing for a more frequent turnover of Justices. Packing the court would only fan the political flames that this country is currently engulfed in. The re-emergence of the call to pack the Supreme Court is a byproduct of the crisis this country is currently facing: we have forgotten how to talk with each other. FDR called for it in tough times, and so have Americans today. Packing the court is giving in to our problems as a country whereas embracing democracy and returning to our roots can save the grace of America and set up a healthy government for future generations.
On June 30th, the Supreme Court ruled that the Environmental Protection Agency has no right to regulate greenhouse gas emissions on a state level, nor instruct power plants to give up fossil fuels for renewable energy. In contrast, extreme weather has been haunting the pandemic world. Droughts, high temperatures, floods, and wildfires are becoming the norm in many parts of the globe. This summer, Europe suffered from the worst drought in 500 years, the upper reaches of the Thames River in the UK have dried up, and a forest fire in southern France destroyed more than 7,400 hectares of forestland. In the United States, more than 100 million people in 48 of the 50 states were hit by extreme weather. In Asia, recent flooding in the Chinese province of Henan affected more than 14 million people and caused economic damage worth over 17.6 billion USD. Climate change has already led to many severe disasters, and fossil fuel consumption is one of the main culprits.

Despite setting an ambitious goal in the 2016 Paris Agreement, the global “green transformation” has not been very successful. In fact, the use of unsustainable fossil energy has been growing exponentially for the past few years. In 2021, global primary energy consumption exceeded an oil equivalent of 13.8 billion tonnes, and annual carbon emissions climbed by 18 billion. Fossil energy consumption has flourished compared to 2020: coal and natural gas usage have increased by 6.1% and 4.6%, respectively. Meanwhile, non-fossil energy has had a 0.3% decrease in its share of total energy consumption. In particular, coal-powered electricity witnessed a rapid growth rate of 9%. So, what caused this rebound in fossil energy? An interplay of inflation, geopolitical conflict, and the pandemic have made the need to meet energy demands progressively urgent, and insufficient supply of green energy has brought back fossil fuel.
The world is currently experiencing severe inflation. This June, the American CPI reached a 40-year maximum of a 9.1% increase, while Europe reached 9.6%. Gas and electricity prices are major factors contributing to CPI, and since renewable energies typically grow slower, many governments chose to turn to fossil fuel, a more accessible and established resource, to counter rising price levels by increasing energy supply. In the U.S., coal production grew by 7 percent in 2021 and is expected to grow by 6 percent in 2022; in China, additional coal production capacity reached 300 million tons, while raw coal production increased by 11.5% from January to July; the Indian Ministry of coal has set a coal production target of 1.2 billion tonnes before 2024, and its total coal production this year increased by 14.9%; in Indonesia, coal production hit a record 600 million tonnes in 2021 to fulfill international demand.

Geopolitical conflicts have impacted energy supply chains. According to data from the U.S. Energy Information Administration, Russia supplied 20% of Europe’s natural gas demand in 2021. Yet, recent EU sanctions against Russia over the war in Ukraine disrupted the previously established international energy market. In May, the EU commission declared its 6th round of sanctions against Russia. According to this plan, crude oil imports from Russia will cease in 6 months, and product oil imports in 8 months, decreasing total importation of Russian oil by 90% before the end of 2022. As the exporter, Russia is forced to turn to supply other nations. According to data from Kpler, Russia’s total oil exports have surprisingly increased, reaching 4.87 million barrels per day from March to May compared to 4.5 million barrels per day in 2021. European sanctions lowered the price of Russian oil, which made the deal more attractive to Asian countries. As the previous importer, the EU has struggled to find replacements for Russian energy. This summer, gas shortages and soaring electricity prices forced idle and retired coal power plants back to use in Germany, France, Austria, and the Netherlands. Political conflicts have ultimately jeopardized the Paris climate agreement and the European Green Strategy.
Furthermore, economic recovery from the COVID pandemic has greatly increased the demand for energy consumption. Despite worldwide lockdowns, energy consumption worldwide has still risen quickly past pre-COVID levels. Especially in Asia, industry and building sectors are consuming increasing amounts of energy. In 2021, carbon emissions due to energy consumption had risen 5.7% compared to 2020, and carbon dioxide emission had risen 5.9%. In China, an 8.1% economic growth has led to a 5.6% increase in national energy usage, while North America witnessed a 5.1% increase.

Yet, renewable energy struggles to keep up its supply. Fossil fuels still have a large lead in terms of investment efficiency under current technologies. The Energy Return on Investment (EROI) is a calculated evaluation on the efficiency of developing a type of energy. Whereas coal and gas have respective EROIs of 30 and 28, wind turbines and PV have respective EROIs of 4 and 2. On one hand, development in the field of renewable energy is deeply affected by trade barriers and economic decoupling. Although the efficiency of photovoltaic power generation is comparable to that of fossil energy, it cannot grow rapidly due to the constraints of the international photovoltaic industry supply chain. In April, the U.S. Department of Commerce unpredictably launched an investigation on Chinese PV companies, resulting in the cancellation or delay of 318 U.S. solar projects. Meanwhile, the threat of retroactive tariffs blocked the import of crystalline silicon panels from Cambodia, Malaysia, Thailand, and Vietnam, which account for 82% of the supply of mainstream solar module types in the United States. On the other hand, the costly fight against the epidemic weakened the government’s ability to financially support the development of new energy. For example, Germany took the lead in passing the Renewable Energy Act in 2004, and in 2010 accounted for 40% of the global solar market. However, as the scale of the new energy industry continues to expand, the demand for subsidies also grew rapidly. As governments hold insufficient financial resources, they are forced to cut subsidies due. This has resulted in the gradual shrinking of the German solar energy market to the extent where all but a few PV companies remain.
With impending energy demand met with an insufficient supply from renewable energy, some nations turn to rely on more traditional energy. However, while it may be difficult to solve dependence on fossil energy, the transition to green new energy is still very urgent. Historically, harming our environment has always led to a much higher cost for our civilization in the future. Human beings have no planet B. The survival of our civilization requires a shift from fossil fuel to green energy and not allowing the rebound of fossil energy to become a normal trend. Therefore, responsible citizens should practice a low-carbon lifestyle, forward-thinking enterprises should invest in zero-carbon production, and governments should put their other interests aside to accelerate the green energy transition, and achieve carbon neutrality. The start of the 21st century may be a final window to undergo energy transition for the sake of our earth. Losing this opportunity will be a tragedy for both mankind and our only Earth.
America now faces an all-time shortage of affordable for-sale homes and rentals. In many cities, a pattern of under-building has led to an insufficient supply of housing to meet the population’s demand. The disequilibrium of supply and demand, as well as the current high inflation rate, drive up prices for prospective buyers. In an attempt to lower prices, government leaders have passed strict rent regulations around the country. However, this lowers rents only for a subset of units in the short run and disincentivizes housing providers from building additional units in the long run. Affordable housing is an economic issue that is overly politicized, preventing politicians from creating realistic solutions that ameliorate the issue’s inequalities.

There is a misconception that landlords are all wealthy, selfish, and white; as a result, many politicians create narratives to place blame and justify rent caps. Certainly, they have the correct intent of providing Americans with low rents. However, housing providers construct and maintain buildings and answer tenants’ immediate needs, so strict restrictions only disincentivize them from providing high-quality services. Policies to “punish” the landlord has effects that expand far beyond the quality of housing; they strongly impact the quantity of housing provided in the first place. There are rent caps in places such as New York City, where landlords may only increase rent on leases by 3.25% a year. However, inflation is much higher than this percentage, so many landlords lose profitability since their costs are growing much higher than 3.25%. Over time, many landlords have gone bankrupt renting out homes, especially since the majority are small property owners, not big corporate owners as commonly believed. In some cases, they cannot even afford to fix heating systems since natural gas and oil prices have almost doubled in price in the past year. They are often forced to pay out of pocket in these situations. Even if they have not reached the point of bankruptcy, the lack of profitability is a major disincentive to building a new housing supply.
The constraints cause a shortage of supply in many cities, leading to higher prices because of increased demand over available supply, a simple law of economics. Therefore, policies created without considering supply and demand are detrimental to both tenants and housing providers.

Politicians also seek to eliminate racial discrimination regarding housing through rent control. The idea is that poorer citizens or immigrants struggle the most with paying rent, and rent control will solve this issue. The government tried this in Sweden, where they placed restrictions on apartments in attractive urban areas in an attempt to not force lower-income people to inferior locations. Housing developers have not been permitted due to the preservation of older buildings, and due to NIMBYism (not-in-my-backyard), where older, white inhabitants simply remain in existing buildings. Younger generations sit on waitlists averaging eleven years to live in these apartments. In the meantime, they are forced to the suburbs or inconvenient or higher-crime areas. Equilibrium rents (those not under rent control) are 70% higher in Stockholm. This results in a black market for rentals, as well as illegal subletting of rent-controlled apartments at a higher price. Clearly, rent control has failed to help everyone in society, and actually has the most harm to those who need affordable housing the most.

American cities need coherent policies that establish objectives and strategies for balancing the housing needs of any demographic in any geographic area. They must not favor one group of people, which creates long-term resentment towards targeted groups and harms overall economic health. The most urgent yet straightforward solution is to increase the supply of housing. Instead of harming housing providers with unreasonable policies, the government needs to encourage them to increase supply. They can use government subsidies or tax abatements for housing providers to incentivize them to provide more. This is crucial in making housing readily available and affordable, a huge step in ending America’s housing crisis.
In present-day America, identity has rapidly become a focal point of national discussion. Robust anti-discrimination laws have increasingly granted equal protection for citizens regardless of their physical or religious backgrounds. It is time to add political affiliation to that list.

It is nigh impossible to navigate everyday life without coming in contact with politics. Politics have become especially partisan, driven by information echo chambers and aggressive media bias. An average person will be bombarded by reports on domestic and international news as soon as they connect to the web. Due to the prevalence of modern communication, politics is more and more accessible to the common person. Today, political issues can create a divisive gap between citizens who might otherwise be on good terms.

This creates a problem society has to contend with. The goal of a strengthened anti-discrimination law is to lessen the polarizing impact of identity bias and foster cooperation. Since the 1964 Civil Rights Act, politicians and policy-makers have made significant strides to promote equality through legislation—proving the viability of the American legislative process. Political affiliation can be intense, but it is not an insurmountable obstacle to cooperation. Humans are naturally social creatures, and with the help of anti-discrimination laws, society can learn to work together again.

Political affiliation is not fundamentally different from one’s religious beliefs. Both exist within the mind and have no reflection on the believer as a person on the outside. A Democrat will not develop gills, nor will a Hindu grow wings. The difference is purely the ideological framework an individual chooses to adopt. In fact, strong political opinions are akin to religion: a zealot holds their deity and commandments close, they partisan their set of values and political affiliation.
Wars fueled by religion are just as fierce, if not more all-consuming than the politically based struggles. Religious belief is protected under anti-discrimination laws, why shouldn’t political affiliation join it?

Opponents of including political affiliation in anti-discrimination laws look at the text and report besides religion, it concerns the physical aspects of a person. Yet they fail to realize all physical aspects of a person are innately political. Humans organize themselves according to easily perceived similarities such as family, skin color, and language. It is easier to trust another when your brain perceives some similarities that further mutual understanding. Let us examine human society throughout history: the first organizations are kin-based clans around the head of the family, through the evolutionary process, humans understand family ties individuals together. These clans expand their territory and come into contact with other families. At this juncture, civilization develops, and clans that join forces begin to share the same identifiable characteristics, known today as culture or traditions. In the modern world, a familiar face or sound still has its pull: immigrants in new lands gravitate toward each other, creating ethnic enclaves within the larger environment.

Physical characteristics are social-political tools to categorize individuals. The U.S. Census divides the population by gender, race, and ethnicity. Thus, it is inconceivable to separate physical identity from political affiliation. As such, political affiliation should be protected by law like the physical aspects of a person’s identity.

The First Amendment does not constitute sufficient protection for political affiliation in this area. It protects the freedom of speech and expression, which is related to political affiliation. However, in practice, it is not enough. These freedoms do not guarantee equal treatment in themselves, hence the need for anti-discrimination laws. The courts recognize the right of association under the First Amendment for people to associate with those they choose, however, it protects intimate and private relationships only.
The Supreme Court ruled in *Roberts v. United States Jaycees* that Jaycees’ exclusive membership rules are not protected under the right of association. Since the Jaycees is a public organization, it no longer qualifies for association rights that would allow it to exclude women from the organization. In the same vein, companies are entities targeted at the public. They should be held to the standard of equality.

There are already precedents in the United States for protecting political affiliation: New York, California, and Washington DC all include political affiliation in their anti-discrimination law language. Of course, protecting civil rights has no adverse impact on society: these states and territories are all prosperous and advanced. It is time to expand this initiative nationwide to advance true equality.
In the past several years, the cryptocurrency space has exploded. Bitcoin and Ethereum continue to dominate markets, but thousands of other crypto projects have entered the global landscape as well. Compared to traditional paper money, cryptocurrency has many advantages, including more secure and efficient transactions, and ease of international payments. However, the rise of cryptocurrency has also sparked widespread debate about the long-term viability of bitcoin’s return. Over the next few years, we will see as the crypto community continues to push innovation and drive the spread of this new currency.

Cryptocurrencies, in reality, are just code. At the heart of cryptocurrency lies the blockchain, a digital ledger or database that stores a record of all transactions on a crypto network; each transaction is recorded in a group known as blocks. In a “permissionless” blockchain network, any individual can join, read the ledger, and write to the blockchain. Additionally, transactions added to the blockchain must be verified by a majority of network participants before being officially added. “It’s like a Google Doc that anyone can work on,” says Buchi Okoro, CEO and co-founder of African cryptocurrency exchange Quidax. “Nobody owns it, but anyone who has a link can contribute to it. And as different people update it, your copy also gets updated” (Ashford and Curry). While, most cryptocurrency projects remain permissionless, some run on permissioned systems where only authorized users can contribute to the ledger.
Individual participants in a blockchain network are referred to as “nodes,” and they simply run the program’s code on their device. Users hold their cryptocurrency tokens in wallets, which can be offline stored on a hard drive, or online through an exchange service such as Coinbase. As mentioned above, a majority of nodes must verify transactions written to the blockchain. Achieving this “consensus” can be done in a multitude of ways depending on the company: Bitcoin’s consensus mechanism is called Proof of Work, whereas Ethereum uses Proof of Stake. The intricacies of these systems are quite technical, often having large environmental consequences. Specifically, Proof of Work has been notorious for consuming massive amounts of energy. Furthermore, both systems—Proof of Work and Proof of Stake—make fraudulent behavior impossible by requiring a user to obtain a majority stake of the network’s processing power in PoW or a majority of the total token supply in PoS: both of these situations are simply unrealistic, meaning no one party will be able to hack the network.

The future holds significant promise but also uncertainty for blockchain. Scalability— or the ability to handle large volumes of transactions— has been a sore point for cryptocurrency that may eventually see a resolution with the development of technology. Achieving this goal, however, may compromise either security or decentralization (the extent to which no single party dominates the network). Centralized blockchain applications will also continue growing; several central banks around the world, such as those of Sweden and China, have conducted central bank digital currency pilot programs. Blockchain technology also extends beyond cryptocurrency: companies can gain from the collaborative nature of blockchain databases, and other services like NFT marketplaces can be built on top of a blockchain network. Innovation in this space has the potential to benefit society by increasing financial inclusion and efficiency, but only the future will tell if these gains can be captured without too great a compromise.
Most objects in our lives share a common destiny — the landfill. Whether it be furniture, food, or fossil fuels, the world has fallen into a pattern where resources are taken from the Earth, transformed into a product, sold to consumers, and thrown away. This production and consumption model has created a myriad of serious environmental issues. What if there was an alternative way for society to produce the things we need without destroying the planet?

Luckily, there is such a way: the circular economy. This production and consumption model aims to reduce resources needed for manufacturing and distribution, use clean technology to design durable and recyclable products, regenerate nature, and eliminate pollution and waste. It is meant to help tackle modern day climate change problems and can be applied to many sectors ranging from energy to construction to personal hygiene. For example, in 2005, the British cosmetics company Lush created their “naked” range, in which they redesigned liquid soaps, deodorants, toners and more products into solid formulations, thus reducing the need for plastic bottles. Furthermore, the company eliminated the need for plastic labeling on packaging by creating an app called Lush Labs, where customers can access product information and directions for usage. Since 2005, the company has saved 150 million plastic bottles and 65% of their products are “naked”.

Currently, the countries leading the shift towards a circular economy are concentrated in Europe. A number of measures, including the European Green Deal and Next Generation EU, provide structural funding and financial programs for research and innovation. According to a study that mapped global progress towards a circular economy, the utilities and consumer goods sectors are leading the charge.
The circular economy model and growing innovations in renewable energy sources has allowed the utilities sector, which includes electricity, water, and natural gas, to increase efficiency and decrease the need for raw, rare resources. In the consumer goods sector, which are products bought by the average individual such as household items, a concerted effort has been made to use renewable energy, reduce the use of toxic substances, and follow sustainable designs.

The circular economy model provides economic and societal benefits too. Aside from generating new revenues and reducing costs, it delivers long term growth to investors across all industrial sectors. As Paul Bodnar, Global Head of Sustainable Investing at BlackRock said, “If you're an investor who's focused on long-term value creation, and you live on a planet with finite resources, you have a vested interest in the circular economy.” A study by management consulting firm McKinsey & Company found that by optimizing yields from existing resources in the three sectors of shelter, transport, and food, Europe could save $583 billion annually in resource spending.

The disposable income of households would increase by 11 percentage points and GDP would increase by seven percentage points. In addition, a combination of labor intensive recycling activities and highly skilled remanufacturing jobs would create more employment opportunities. Environmentally, the circular economy sparks innovation while combating climate change issues. By transitioning to electric, shared, and self-driving vehicles, reducing food waste, participating in regenerative agriculture, urban planning, and renewable energy, carbon dioxide emissions could drop to 82% from 2012 levels by 2030.
While the circular economy offers advantages, the transition can be expensive. Investments in research and development, subsidies, stranded investments, and digital infrastructure spendings would constitute most transition costs. When Germany transitioned to renewables between 2000 and 2013, feed-in tariffs alone — a long term contract offered to renewable energy producers to increase investing in the industry’s technology — cost $120 billion. Nevertheless, this is a price that we must pay to secure our future on this planet. It is crucial that we transition to a more sustainable way of life before time runs out. We have taken enough from this plentiful place we call home, now, it is time to give back.
On January 7th, 2023, Californian Senator Kevin McCarthy was elected Speaker of the House. This battle followed days of grueling negotiations, and numerous failed votes, a humiliation for a supposedly united party. In fact, Florida Representative Matt Gaetz casted a vote for former President Donald Trump in an effort to further isolate his faction. While amusing for most Americans, it still proved that the GOP has more rifts under the surface.

In all honesty, would McCarthy being in that position really help our government move forwards and not backward in time? There were multiple times where McCarthy assented to the demands of right-wing members in an effort to clinch the vote, rather than remain loyal to his part of the GOP. An example of this was when he complied with right-wing hardliners’ demand that permitted any lawmaker to request their removal at any given time. This will significantly reduce the influence he will have when attempting to enact legislation on crucial subjects like raising the nation’s impending debt ceiling, other potential disasters, and government spending. These concessions, which include significant budget restrictions as well as other restraints on McCarthy’s leadership, may indicate increased instability in the months to come, particularly since the House will have to approve an increase in the United States' $31.4 trillion borrowing limit.

If these implications continue it may raise questions, does the republican party have the ability to govern? This long, albeit tumultuous battle for speakership, may reveal more about McCarthy’s character than most constituents, including myself, originally thought. Mainly, that he will sacrifice his own party’s morals and ideals simply to garner support.


Editors in Chief:
Sofia Muñoz '23 and Michael DiCostanzo '23

Features Editor:
Cat Cronin '23

Politics Editor:
Helena Gernhardt '23

Finance Editor:
Jonathan Zhuo '23

Economics Editor:
Leon Zhang '25

Copy Editor:
Heidi Small '23

Layout Editor:
Julia Brighton '23

Graphics Editor:
Paola Diaz del Castillo Rosique '23