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Richer than you think?

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One of the major banks has a slogan that says, ?You're richer than you think,? meaning they have the financial knowledge to help you invest and grow your money.

It does make good sense to have a qualified person at your bank to help you make sound financial decisions.

The truth is, many people think they are financial wizards, yet they have little concept of how it all really works.

In our increasingly cashless society, financial wealth is something that is becoming less tangible every day.

Quite often when going into a store, the clerk no longer even asks how you would like to pay. They simply hit the debit or credit button on the cash register, assuming you will be paying with either a debit or credit card.

There's a lot of good in this way of paying for things. You can keep your card in your wallet and pay as you go. It eliminates the need to go to the bank for cash, and it eliminates driving to the local office of the utility companies to pay your bills.

But in our nearly cashless society, what is your money really now worth?

The concept of paper money started because carrying around coins or pieces of silver or gold just wasn't practical, and you may not have a chicken handy to trade for that piece of lumber you need.

Paper money was issued as a way of representing a tangible commodity ? notably gold. The government issued a dollar bill, which represented gold stashed in a vault somewhere, that backed up the value of the note.

But where is the Canadian gold that backs the paper money you carry in your wallet and the numbers that fill your bank account? In the mid 60s, Canada had a gold reserve of around 1,000 tons.

The government started selling that gold, and currently, the country has zero gold reserves.

In comparison, Germany currently has 3,352 tons, Switzerland ? 1,040 tons, U.S. - 8,133, UK ? 310 tons of gold reserves.

So what does that $50 bill in your wallet or the numbers you read on screen at the instant teller really represent?

Fiat currency is money which is not backed by a commodity, and that is what we now have. It is backed solely by the government that issued it.

And where is that cash?

If you have a bank account with $50,000 in it, and you decide to withdraw $10,000 to pay cash for something, your bank won't have it to give you when you present a withdrawal slip.

They will get it for you, but the bank will have to request the cash be shipped to them and likely ask you to come back another day to get your money.

If you finally decide to buy that new car you have been saving up for and arrive at the dealership with a suitcase full of money, most likely they will not accept cash as payment. The dealership will assume that much cash is the proceeds of some kind of crime or a

money laundering scheme and they won't want to be involved with it.

However, if you take out your debit card, you just got yourself a new car.

Most of the wealth you have in terms of money, is now nothing more than numbers on a computer screen.

You probably get paid electronically, pay your bills online, pay for vacations by credit card, and buy your groceries with a debit card.

All those transactions simply move numbers around in your bank account.

If you own a home, you can see your wealth. It's there and it's real. That's why it's called real estate.

If you own gold or silver bullion, it is a real commodity.

Your car or truck is a tangible symbol of wealth. Even though it is a depreciating asset, it is real, and there is probably someone willing to buy it or trade you something valuable for it.

However, with current electronic banking, if the power goes out, your wealth no longer exists as long as there is an interruption in the power supply.

In a worst-case scenario, the power is out and doesn't come back on. You will be broke with no way to pay for anything you need and your wealth will no longer exist.

Our power grid may be a reliable system, but with the world in an increasingly volatile state, who knows what could happen in the future?

It may be practical to keep a few chickens in your backyard.