

# Funding the Future

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*As part of my work on capital, which in turn contributes to my thinking on the politics of care, and how it must be defined, I have posted this new glossary entry on financial capital, which is an addition to the entries already made on capital and capital maintenance concepts.*

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Financial capital is the stock of legally recognised monetary and financial assets whose ownership confers enforceable claims on future income. It includes money, bank deposits, shares, bonds, loans, derivatives and other financial instruments. These assets are not productive in themselves; they are claims on the economy's output, mediated through legal and institutional arrangements.

Financial capital is often treated in orthodox economics as the primary form of capital, with other forms assumed to adjust to its requirements. This reverses the real causal order. Financial capital does not generate output independently of people, nature, institutions or productive systems. Its value depends entirely on the maintenance of environmental, human, social and physical capital. Where these are degraded, financial returns may continue temporarily, but they represent the monetisation of capital consumption rather than sustainable income.

Financial capital is therefore derivative rather than foundational. Its maintenance is an accounting condition, not an economic achievement. Asset price inflation, speculative gains and rent extraction can all appear as income even as the real conditions of economic reproduction deteriorate. This makes financial capital uniquely capable of disguising economic failure as success.

When financial capital is prioritised over other forms of capital, economies tend towards financialisation: rising inequality, short-termism, asset bubbles and political capture. Proper economic accounting requires that financial capital claims be subordinated to the maintenance requirements of the other four forms of capital.

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See also:

- \* Capital
  - \* Capital maintenance concepts
  - \* Financial capitalism
  - \* Physical capital
  - \* Human capital
  - \* Social capital
  - \* Environmental capital
  - \* Sustainable cost accounting
  - \* Income
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