



Money * Value = Wealth

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- Money (\$) is a piece of paper.
- Value is what that piece of paper can buy today.
- Wealth is what all your Money will buy at its Value today.

Money is printed by our government. **Your labor gives money Value.** When someone pays you there is a transfer of Wealth; they exchange the Wealth they received for their labor for your labor.

- Without labor money is a worthless piece of paper - Money * 0 Value = 0 Wealth.
- Over time inflation makes money a worth less piece of paper - Money * Decreasing Value = Decreasing Wealth.

Possessing Money is not as important as Money having Value.

- Lots of Money * Little Value = Average Wealth.
- Little Money * Great Value = Average Wealth.
- The Money you saved from last year * the Value of Money last year = your Wealth last year.
- The Money you saved from last year * the Value of Money today = your Wealth today.
- The same amount of Money but a change in Wealth.

In the early 1800's a breakfast of bacon and eggs cost three cents. Today that breakfast costs \$5.00. You're buying the same bacon and eggs. You're exchanging the same Wealth today as you would have in the 1800's. You have to give up more Money today because its Value has gone down since the 1800's.

- Three cents * Value of Money in 1800's = transfer of Wealth for bacon and eggs
- \$5.00 * Value of Money today = transfer of Wealth for bacon and eggs

As an employee, consumer and owner of government you need to **understand what causes Value to go down**, then work and spend to prevent that. It's the decrease in the Value of Money that destroys your Wealth.

Do you work and spend to preserve your Wealth or destroy it? If you're not sure ask your employer or find a business owner. If they have questions ask them to contact me.