



Understanding Interest: Are You a Payer or Receiver?



	Pol	Key
	Paying	Receiving
Interest	✓	✓
Inflation	✓	✓
Opportunity Cost	✓	✓

Consumer.

This AFFECTS YOU!

WORLD
3 people. \$1500

INFLATION 9%.

TODAY Coffee: \$1.00 ☕
1 YEAR: \$1.09

MM
PP

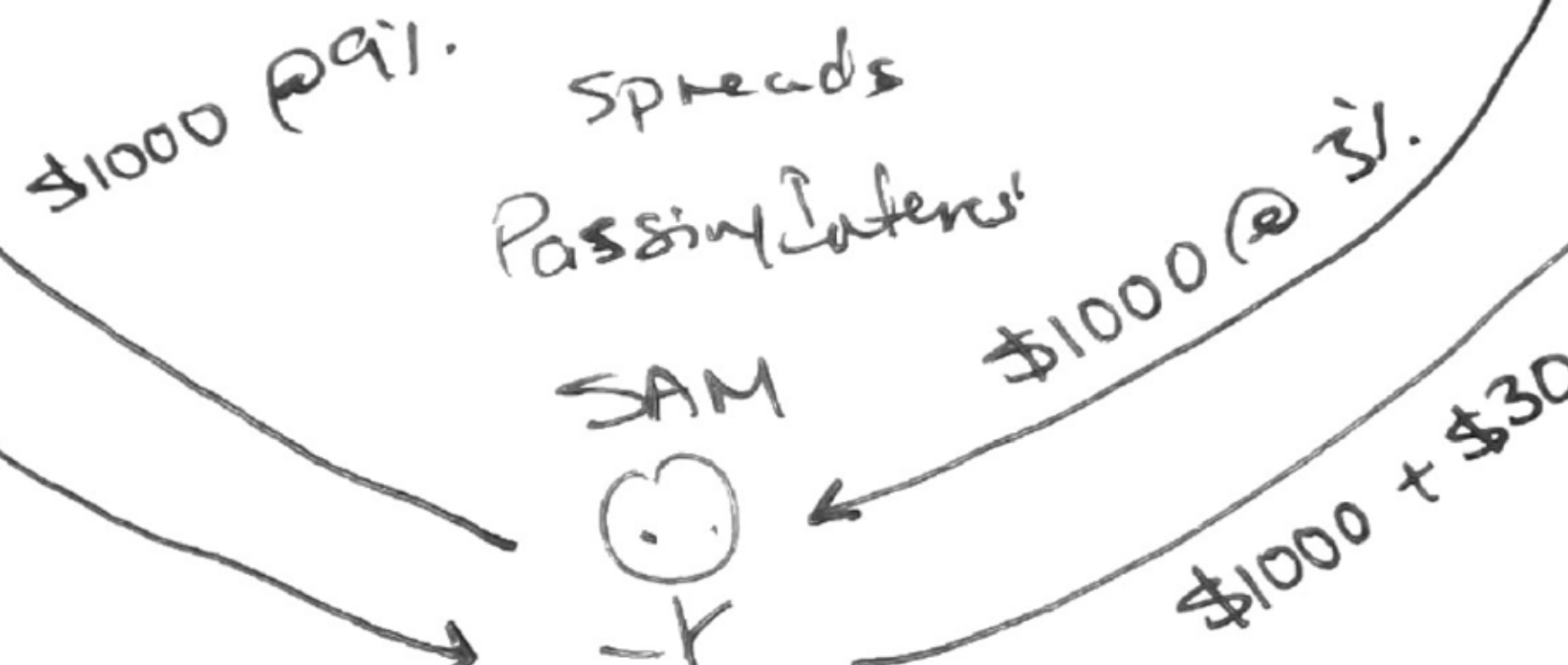
STARTED: \$0
1-YEAR: -\$90
Coffees: 0

Pay Interest

MIDDLE CLASS

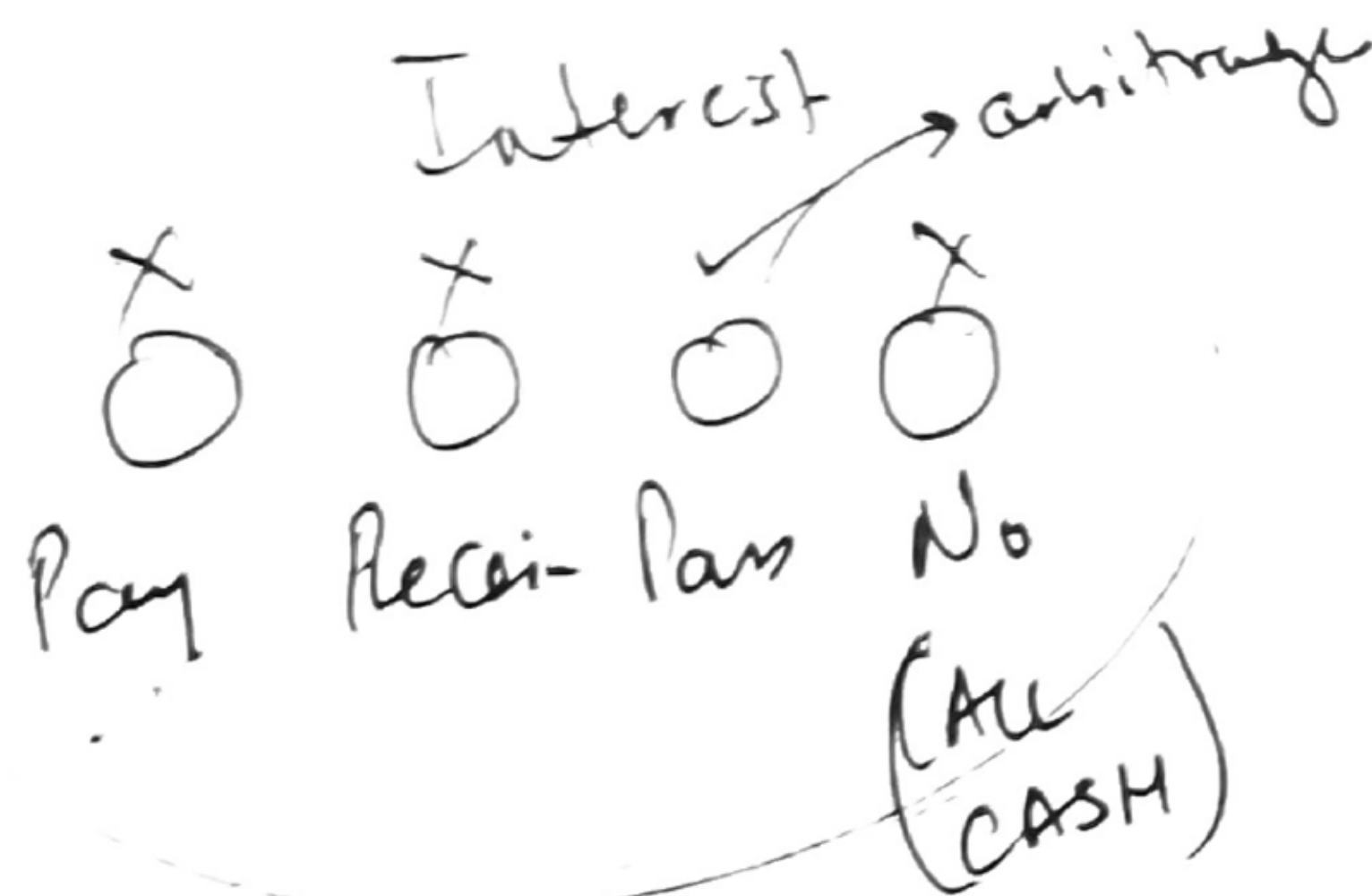
Receive Interest

Saver Money ← "Savers are losers"
\$1000: STARTED → 1000 coffees.
\$1030: FUTURE → $1030 / 1.09 = 945$ coffees

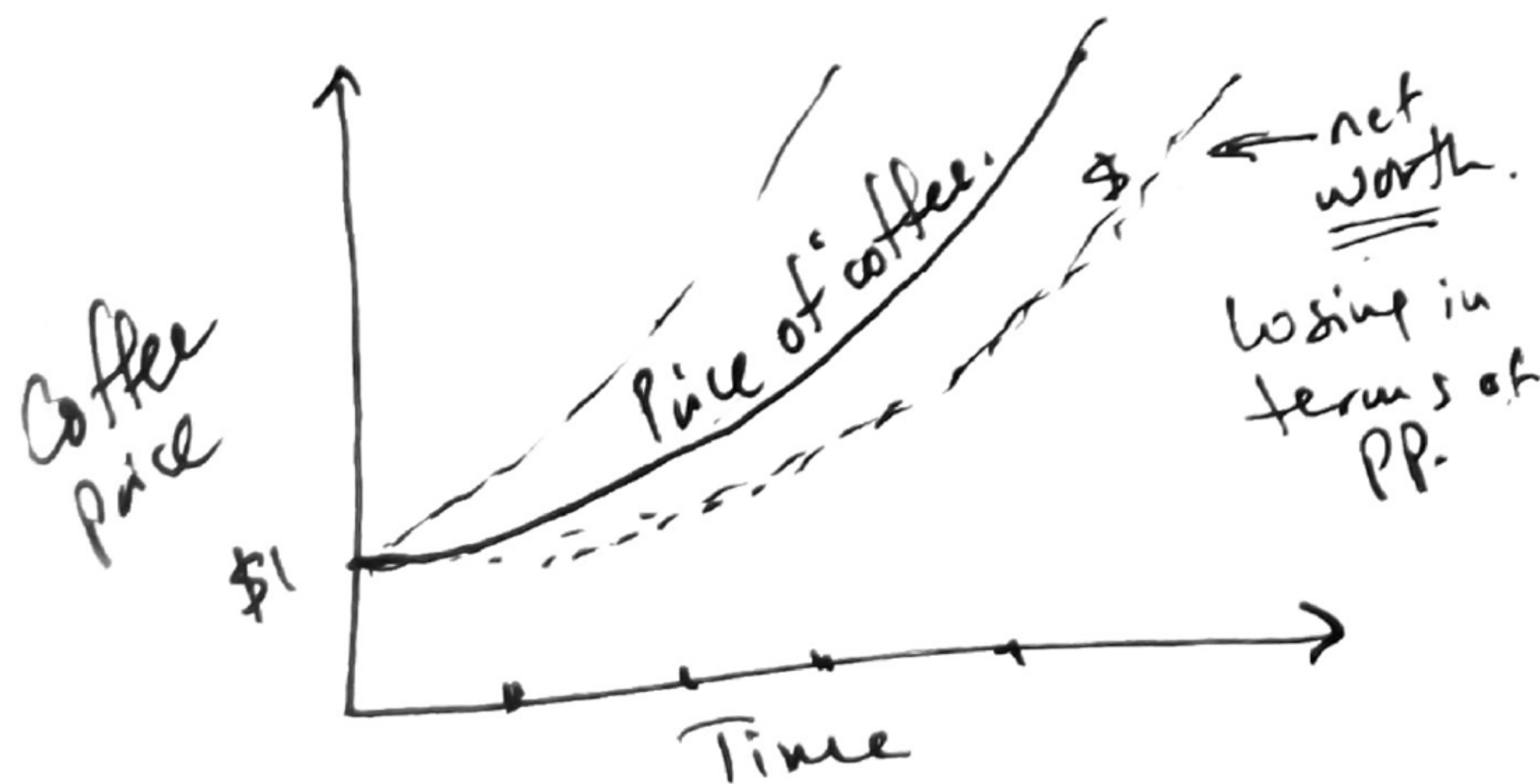


"MADE MONEY"

Transfer of wealth



\$0 coffees. → \$60 / 1.09 = 55 coffees



Takeaways.

- Difference b/w MM + PP.
- Game of spreads. (stable)
- "Savers are losers" Kiyosaki
- Passing Interest ←
- Stable assets.
- Xfer of wealth

