

The Counting Class collects income in a way that requires no skill, experience, or even work. This income arrives as automatically as a clock. Let's call the money collected in this way Free Income. To collect Free Income, all that is required is to wait. Just *wait* and *count*.

Counts may want Americans to believe that it takes special genius to pile up extreme Money Counts. But the basic process is so simple a child could do it—as long as that child gets to start with at least \$100 million.

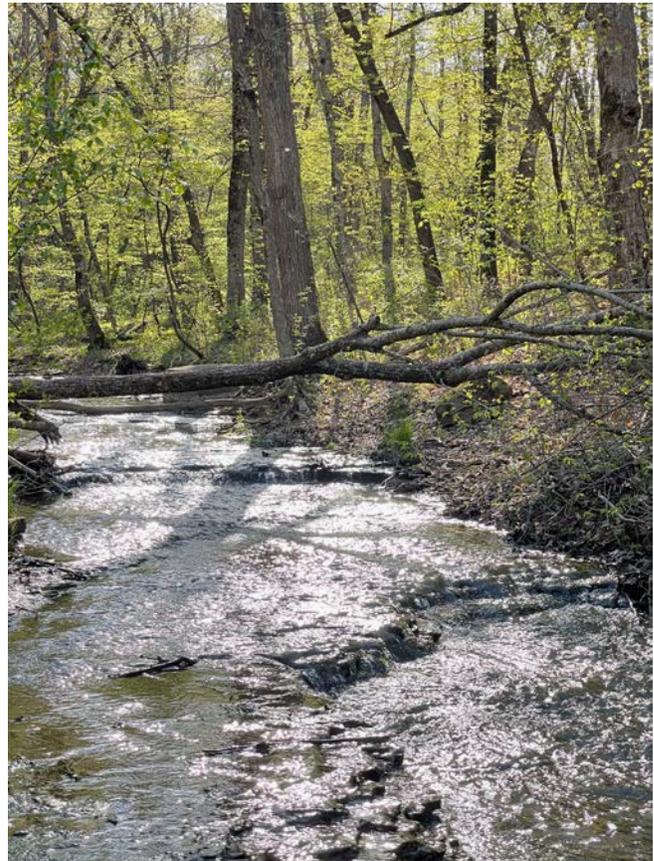
Every Count knows that he should expect an average yearly gain of 10%. This 10% increase is the famous long-term average gain of the stock market S&P 500. It extends across every market bubble and crash, and every run of exuberance or recession. Since Counts can afford to wait through ups and downs, they can get the 10% gains of the stock market.

This 10% is a powerful percentage. It causes a Money Count to *double* every 7.2 years. It means a Count can expect \$100 million to turn into \$1 billion automatically in 25 years, and then that \$1 billion to turn into \$10 billion automatically in the next 25 years. It's just clockwork math, ticking on and on.

Maybe there's a Count who has really bad luck or makes really poor choices and only collects Free Income at the rate of 7% or 5%. Then, the Money Count he keeps still doubles automatically every 10.3 or 14.4 years.

On the other hand, if 10% isn't enough, or is just too boring, there are lots of alternatives: hedge funds, private equity, private debt, or various kinds of arbitrage and speculation. Counts may lecture Americans that it's all too complicated to explain. But it's just the same simple plan: try to beat the 10% yearly gain in Free Income available from the stock market.

All this Free Income is the value of the Public



Gains of America. And that's OK in our capitalist American system, as long as we all have equal chances to compete for it. But Counts collect Free Income at extremes that Contributing Americans can't ever match:

- Unlike Counts, Contributing Americans don't get to start doubling Money Counts when we're young. First we spend years working to earn income and pay off debt.
- Contributing Americans can't afford to leave our money untouched for decades in order to lock in 10% gains. We have to use most of it for immediate needs. We use it for things like places to live, cars, raising our kids, education, food, and healthcare.
- A 10% gain on \$10 thousand or even \$1 million can never keep pace with the runaway inflation of Money Counts with 10% gains on \$100 million or \$100 billion. ■