

Example 1. Employee and No HBB – The employee's taxable income is \$47,300 (line 15 on Tax Form 1040). Taxes owed at 25% would be \$10,803.

Example 2. Employee and a HBB Owner – The employee made the same amount of income from his job, plus an additional \$2,800 in his HBB. The business provided the employee \$23,210 in tax deductions. By investing \$5,000 (optional) in a tax deductible plan, he got an additional \$5,000 deduction, which made total deductions of \$28,010. The employee's taxable income is only \$21,890 (line 15 on Tax Form 1040). Taxes owed at 25% would be \$5,473. The employee ended up with \$2,800 more in hand and \$5,000 in his investment account. That's a total cashflow increase of \$7,800. If the Associate repeated the process annually with no improvements, and invested \$5,000 of his new annual cashflow \$416.67 monthly at 8% annual ROR it would grow to:

\$76,000 in 10 years – \$245,000 in 20 years – \$621,000 in 30 years

Example 3. Employee and a HBB Owner – The employee made the same amount of income from his job, plus an additional \$45,000 in his HBB. The business provided the employee \$23,210 in tax Deductions. By investing \$21,790 (optional) in a tax deductible plan he got an additional \$21,790 in deductions which made total deductions of \$45,000. The employee's taxable income is only \$47,300 (line 15 on Tax Form 1040) Taxes owed at 25% would be \$10,803. The employee ended up with \$23,210 more in hand and \$21,790 in his investment account. That's a total cashflow increase of \$45,000, tax free income.

If the Associate repeated the process annually with no improvements, and invested half of his new annual cashflow \$22,500 (\$1,876 monthly) at 8% annual ROR it would grow to:

\$343,207 in 10 years – \$1,105,002 in 20 years – \$2,795,914 in 30 years