



CASHFLOW QUADRANT

4 Ways to Produce Income

LINEAR INCOME VS RESIDUAL INCOME

"I would rather earn 1% off 100 people's effort than 100% of my own efforts." ~ J. Paul Getty

100% x 1 = INCOME

YOU x JOB = INCOME

IF YOU DON'T WORK
YOU DON'T EARN
INCOME

TIME = \$
NO LEVERAGE

- NO SECURITY
- NOT ENOUGH MONEY



EMPLOYEE
E

SELF EMPLOYED
S

1% x 100 = INCOME

YOU x PEOPLE = INCOME

YOU OWN A SYSTEM &
GET PAID FROM THE
EFFORTS OF PEOPLE

PEOPLE = \$\$\$
LEVERAGE

- SPARE TIME
- STABILITY



BUSINESS OWNER
B

INVESTOR
I

YOU OWN A JOB

TIME = \$\$
NO LEVERAGE

- LARGE DEBTS
- STRESS
- NO BALANCE



Trading Time for Money & Starting Over
Everyday at Zero

MONEY WORKS FOR YOU

\$\$\$ = \$\$\$\$\$
**PASSIVE
INCOME**

- NO DEBTS
- FREEDOM
- ULTIMED
INCOME
POTENTIAL



Income Not Dependent on Your Presence

LIMITATIONS TO CHANGING SIDES

MINDSET • CAPITAL • TIME • EDUCATION • SKILLS • SUPPORT

The Cashflow Quadrant Distinctions

FOUR ENVIRONMENTS TO GENERATE MONEY

POOR & MIDDLE CLASS



RICH & WEALTHY



Employee ●

Earn a salary ●

Paid at the end of the month ●

Subject to the highest
tax rates (18-51%) ●

Possible benefits & security ●

Work on demand ●

Fired when no longer needed ●

Can never stop working ●

Limited income potential ●

EMPLOYEE

E

**You Have
A Job**

BUSINESS OWNER

B

**You Own A System
And People Work
For You**

● Business owner, (network marketer)

● Own a business system

● Earn compensation and control

● Paid at the start of the month

● Lower tax rates (0-20%)

● Create own benefits & security

● Does not require you to be present

● Grows exponentially, 24/7

Self-employed ●

Own a job ●

Pay your own salary ●

Paid at the end of month ●

Pay all personal,
corporate taxes ●

Create own benefits, security ●

No Work? No Pay! ●

You run everything 24/7 ●

Money but no time to enjoy it ●

Income dependent solely on you ●

SELF-EMPLOYED

S

**You Own
A Job**

INVESTOR

I

**Money Works
for You**

● Investor

● Make money work for you

● Earn income as an entity

● Income flows whether you work or not

● Paid at the start of the month

● Pay corporate taxes (0-20%)

● Create & buy own investments

● Make your money work 24/7



*Network marketing is the perfect business to make the change from the **E-Quadrant** to the **B-Quadrant** because you will learn the business skills that can make you rich and provide you the support while you take the journey from poor/middle class to RICH! - Robert Kyosaki*

ACTIVE INCOME

Work for Money and Security

VS

PASSIVE INCOME

Work for Time and Money Freedom