# "BUT, I CAN GET A HIGHER RATE OF RETURN"

When first exposed to the rationale of The Infinite Banking Concept a person will almost always think—and often voice the thought, "but I can get a higher rate of return by investing in _________." Unfortunately that person has not understood the message! We are not addressing the *yield of an investment—we are* discussing *how you finance anything that you buy.* It is *always* better to finance it through your bank than *out of your pocket.*

To demonstrate this principle, suppose that "A" invests $100,000 for one year and earns 20%:

| | |
|---|---|
| *Gross yield* | *$ 20,000.00* |
| *Less taxes (30%)* | *$ 6,000.00* |
| Net yield | $ 14,000.00 |

Suppose "B" builds cash values of $100,000 in his own Infinite Banking Concept (Dividend-paying life insurance) plan, then borrows it from his system for 8% and then makes the *same investment as "A" above.* The results are like this:

| | |
|---|---|
| Gross yield | $ 20,000.00 |
| Less interest paid to his banking system | $ 8,000.00 |
| Taxable gain | $ 12,000.00 |
| Less taxes (30%) | $ 3,600.00 |
| Net yield | $ 8,400.00 |

***BUT,*** in this case you must remember *who the characters are in the play.* "B" *also owns the banking system to which interest is paid and earns the $8,000* on a non-taxed basis. So the total results are like this:

| | |
|---|---|
| Net yield from the investment | $ 8,400.00 |
| Net yield from his banking system | + $ 8,000.00 |
| Total yield | $16,400.00 |

This principle applies to any investment that you might make, so *there is no way that a person can "get a higher rate of return"* by ignoring the banking process! There is a delay in time while getting "the bank" established, but once this is done, it is a "one-time only event." Anytime a person starts up a new business there is a delay in time before profitability commences. When a life insurance policy is created, that is the equivalent of starting a business that never existed before and the same phenomenon is inevitable.