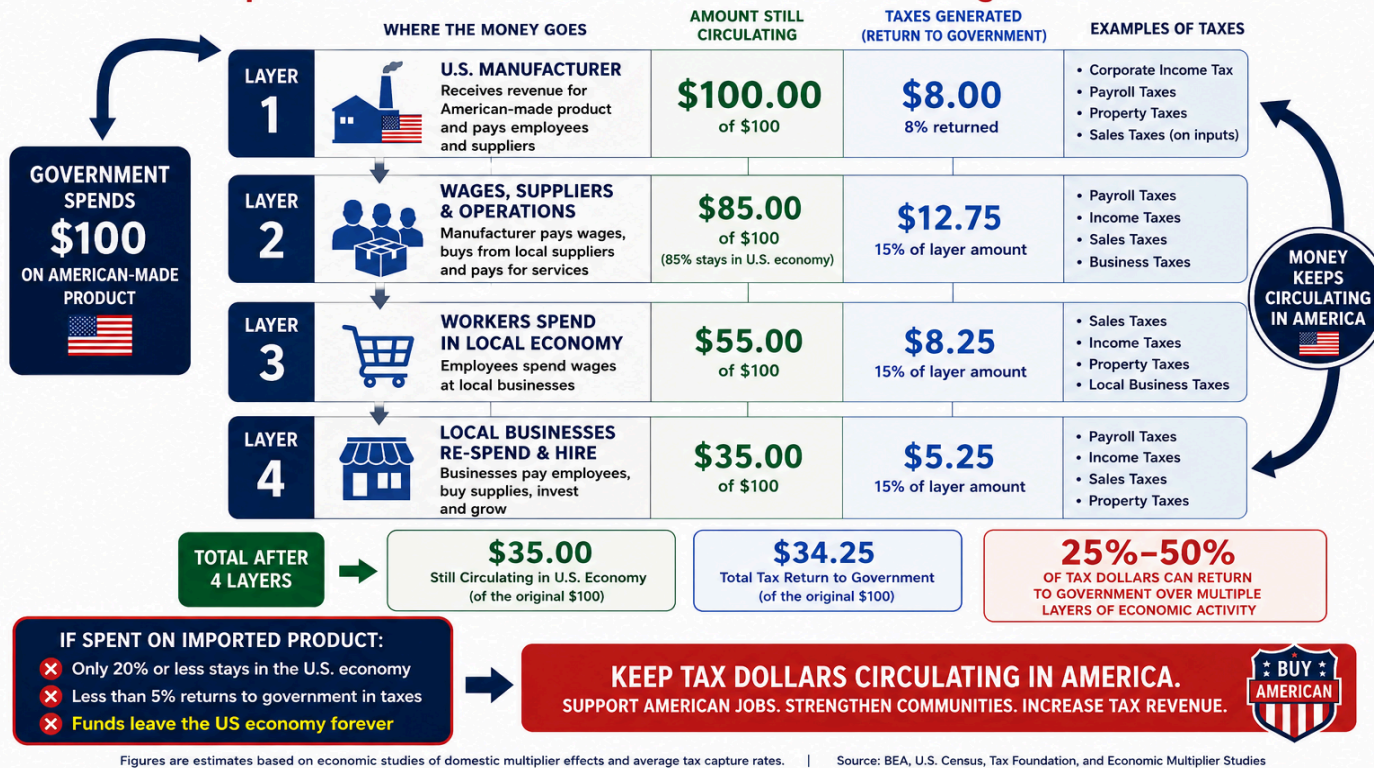


THE CIRCLE ECONOMICS MODEL

When Government Spends Tax Dollars on American-Made Products,
Up to 25%–50% Returns to Government Through Taxes.



- **\$100** → **\$85** because some money leaves immediately through imported inputs, outside services, and profit leakage.
- **\$85** → **\$55** because workers and suppliers spend part of their income on non-local or imported goods.
- **\$55** → **\$35** because local businesses also purchase outside goods/services and some profits leave the local economy.

That explanation makes the model much stronger because it shows:

1. Why American-made spending still leaks somewhat
2. Why imported spending leaks dramatically faster
3. How domestic circulation compounds tax recovery over time

The model now visually supports the core Circle Economics argument:

“The goal is not perfection — the goal is maximizing how long tax dollars circulate inside America before leaving the economy.”

Why do American-made products cost more?

The Number One and Only Reason: **Government Mandates**
Under the threat of jail or fines, US manufacturers are forced to comply

- US manufacturers are mandated to pay a high wage, roughly 10 times more than in other countries.
- Mandated to comply with strict environmental regulations
- Mandated to provide a safe workplace
- Mandated to provide health insurance for their employees
- Mandated to match Social Security
- Mandated to pay unemployment tax
- Mandated to pay fuel tax
- Mandated to pay tax on power
- Mandated to pay property tax
- Mandated to pay tangible tax on inventory and equipment every year
- Mandated to pay income tax on any profits that may be left.
- Some states Mandate State Income tax on businesses and employees

If the government imposes costly mandates on American manufacturers, their suppliers, and their workers and then collects taxes from them, **ALL government agencies have a duty to return those tax dollars back to the very people who were forced to pay them.**

Spending tax dollars on American-made products keeps them here in America, fueling our economy and supporting American jobs, and they are taxed again and again as they move through our communities. It's a win-win for everyone—workers, businesses, and even the government.