

# Property Rights Impact Simulator

Explore how property rights affect investment decisions and wealth building

## Starting a Business

\$25,000 coffee shop investment

## Buying a Home

\$300,000 property purchase

### Select Property Rights Environment

#### Strong Property Rights (USA)

- Contract enforcement protects lease
- Courts resolve disputes fairly
- Lenders offer expansion loans
- You keep profits after taxes
- Can sell or pass to children

#### Weak Property Rights (Failed State)

- Police demand "protection money"
- Landlord might evict arbitrarily
- Employees might steal equipment
- Courts don't function properly
- Government might nationalize business

### Investment Outcomes

### High Investment Confidence

**\$200,000**

Business Value (Year 5)

**\$45,000**

Annual Profit (Year 2)

**HIGH**

Willingness to Invest

**LOW**

Risk Level

Legal protections mean investment likely pays off. You buy equipment (\$15,000), sign 5-year lease (\$2,000/month), hire employees. Year 1 profit: \$20,000. Year 2 profit: \$45,000. By Year 5, business worth \$200,000 - can sell for retirement or pass to children.

### Wealth Building Impact (5-Year Projection)

#### Strong Property Rights

**\$200,000**

From \$25,000 initial investment

#### Weak Property Rights

**\$0**

\$25,000 uninvested, loses to inflation

### Personal Reflection

How much would you invest in education, business, or property if you faced a 50% chance of losing it to corruption or arbitrary government action? How does this explain poverty in countries with weak property rights?

Type your reflection here...