

Successful Businessmen Both Make and Spend Money in Ways that Benefit Others

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Abstract: This essay examines how successful businessmen have a positive impact on others by making and spending money. The research question focuses on the dual role of businessmen's activities on the economy and society. Through a literature analysis and case study method, the essay examines how businessmen benefit consumers and society by providing valuable products and services, expanding their businesses, creating jobs, and making charitable donations. The findings show that successful businessmen not only reduce the price of goods and improve the quality of products through competition, but also promote social welfare through tax payment and charitable activities. The conclusion states that businessmen can effectively promote economic growth and social development while pursuing profits, reflecting the positive externalities and social responsibility of business activities.

Keywords: Successful Business, Economic Growth, Social Development.

1. Introduction

As important players in the economic system, businessmen's money-making and spending behaviors have a broad and far-reaching impact on the interests of others. In modern economic theory, businessmen's activities are seen as one of the key factors that generate positive externalities for society as a whole. Profits are the core driving force of business activities [1]. Businessmen seek profitability and wealth by starting up, investing and operating activities. They meet consumer needs by providing valuable products and services, and thus generate income. Secondly, successful businessmen can generate more tax for the government after they earn money. Businessmen can also benefit others when they spend money. The essence of spending money is that businessmen achieve effective resource allocation and economic growth through consumption and investment. Businesses spend on purchasing products, equipment, technology and human resources to boost productivity and market expansion. These expenditures can reduce costs and lead to employment growth and industrial development. Moreover, successful businessmen can also make charitable donations by spending money to help others improve their living conditions. Therefore, this essay argues that successful businessmen make and spend money in a way that is beneficial to others.

2. Successful Business Provide Valuable Products and Services

2.1. Overview

Providing valuable products and services is the basic prerequisite for successful businessmen to earn money. When there is sufficient competition in the market, businessmen may lower the price of the product or service in order to attract more consumers and increase sales [2]. This price war eventually benefits consumers because they can buy the products or services they want at a lower price. In a fully competitive market, there are many competitors, who all pursue attracting the consumers and achieving sales growth. When one trader reduces the price, the other competitor may

be forced to react similarly to maintain competitiveness. Such competition leads to a fall in product or service prices, because businessmen are trying to attract consumers by providing more competitive prices. Consumers, as the demand side of the market, benefit from price reductions brought about by price wars. They can choose the lowest-priced product or service from the competition among different merchants, thus obtaining a more attractive purchasing opportunity. Falling prices enable consumers to satisfy their needs at a lower cost, thus increasing their purchasing power. In addition, price wars force traders to improve the quality and added value of their products or services in order to stand out from the competition. Traders not only need to lower their prices, but also need to offer competitive product features, innovations and services to attract consumers to choose their products. This further enhances the interests of consumers as they can enjoy higher quality and better value products or services.

2.2. Case study of Chinese New Energy Vehicles Market

A typical example is the price war for new energy vehicles that has occurred in the Chinese market in recent years. Price wars usually lead to a reduction in the price of new energy vehicles, enabling consumers to purchase new energy vehicles at more affordable prices [3]. From Figure 1, we can see that the report jointly released by the Passenger Car Association shows that from January to October 2023, the average price reduction in the passenger car market has fluctuated from 17K RMB to 24.7K RMB, while the average price reduction in the new energy passenger car market has fluctuated from 5.6K RMB to 11.9K RMB. These constant price cuts for new energy vehicles are all favorable to consumers. In addition, the price war may prompt automakers to offer more choices to meet diversified consumer needs. According to the research [4], the new energy vehicle price war encourages manufacturers to launch more new energy vehicles of different types and configurations to meet unique consumer needs and preferences. In order to attract consumers and build brand loyalty, manufacturers may offer better after-sales services and safeguards. This includes

extended warranty periods, free maintenance and maintenance services, and 24-hour road rescue. Consumers will benefit from these value-added services and enjoy a more comprehensive car experience [5]. In summary, the new

energy vehicle price war has provided consumers with benefits in terms of lower prices, technological advances, diversified choices and personalized needs, and better after-sales service and safeguards.

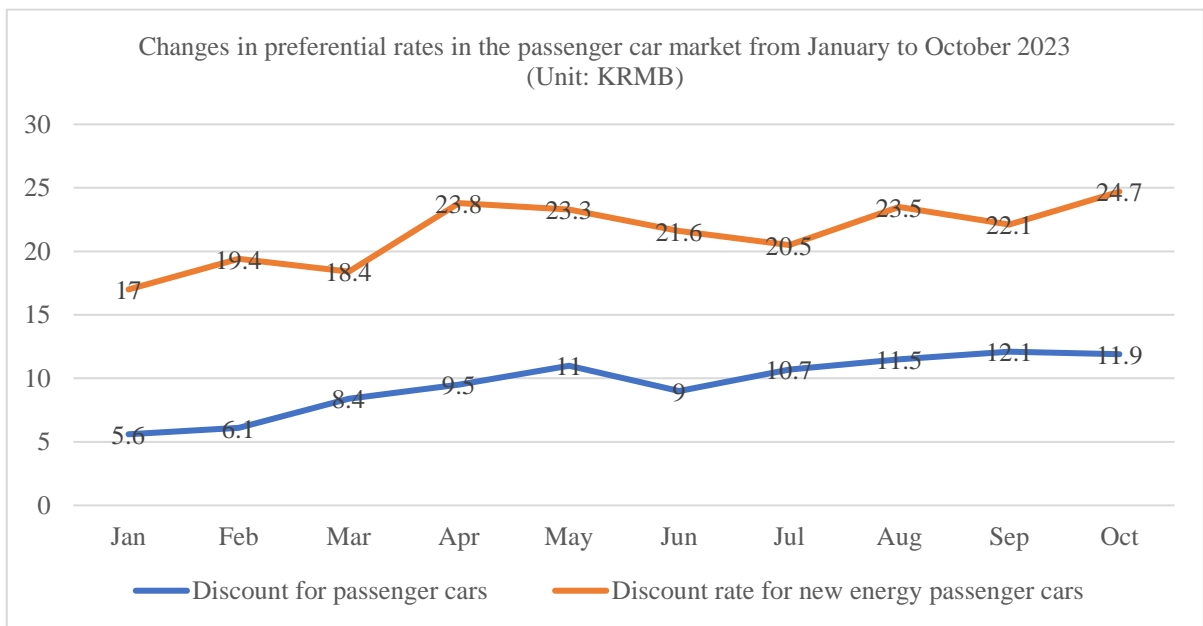


Figure 1. Changes in preferential rates in the passenger car market from January to October 2023 (Resource: Passenger Transport Association)

3. Successful Businessmen Can Generate More Taxes

3.1. Overview

Successful businessmen can generate more taxes for the government after they make money, because the profits they generate from business activities are taxed. When businessmen make money from business activities, they usually have to pay various forms of taxes, such as income tax, corporate tax, consumption tax, etc. These taxes are calculated on the basis of the profits or sales they make and are intended to raise government financial revenue to support public services and social welfare projects. According to the relevant data in US tax policy, the contribution of successful businessmen to taxes is significant. For example, according to the U.S. National Tax Service (IRS), wealthy groups typically pay a large proportion of income tax and play an important role in the overall tax revenue. Similarly, corporate taxation is also one of the important sources of government finance, and successful businessmen generate more corporate income for the government by creating and operating.

3.2. Case study of Apple

This essay will demonstrate how businessmen make money directly and indirectly by increasing government tax revenues by taking Apple as an example. As the world's leading

technology company, Apple has achieved huge commercial success through its innovative products and strong brand influence. Apple's products include iPhones, iPads, Mac computers and other electronic devices, which are widely recognized and loved by consumers worldwide. According to Apple's earnings, the company's annual revenue exceeded \$2.95 trillion and net profit reached \$74.98 billion as of 2021 [6]. The government obtains a portion of its profits from businessmen by levying corporate taxes. For multinationals like Apple, governments can charge a certain percentage of profits through corporate income tax. Depending on the different tax laws and rates, governments can determine the corporate income tax rate that applies to Apple. According to McKinsey's research, corporate income tax is an important source of government tax revenue [7]. From Figure 2, we can see Apple's overseas tax revenues have been rising from 2003 to 2019, from \$0.02 billion at the start to \$6.63 billion in 2019. These huge taxes are an important source of government finances. These additional tax revenues can be used by the government for various purposes, such as improving infrastructure, providing education and health services, supporting social security systems and investing in public projects. These investments and expenditures contribute to the improvement of the level of economic and social development of the country and to the welfare and quality of life of its citizens. So successful businessmen are good for others when they make money.

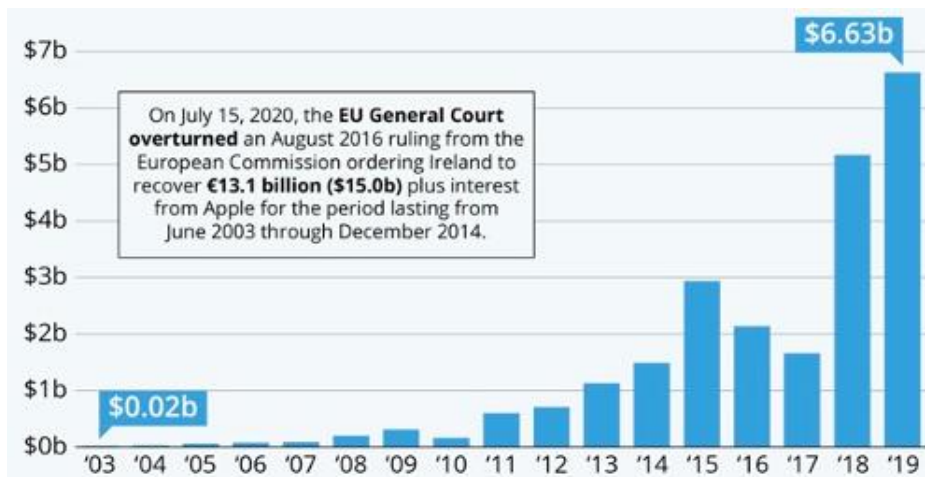


Figure 2. Apple's Foreign Tax Payments Since 2003. (Resource: Statista.com)

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4. Successful Businessmen Deliver Cheap Goods

4.1. Overview

Successful businessmen spend money to expand their enterprises and increase their capacity to deliver cheaper goods to consumers, while creating more jobs for others. Successful businessmen can bring cheaper goods to consumers through economies of scale and cost-effectiveness. According to economist Will Kenton [8], as a company grows, its production costs tend to decrease, enabling it to provide products or services to consumers at lower prices. This combination of competition and cost-effectiveness makes commodity prices more competitive, and consumers can buy the commodities they want at lower prices, improving their purchasing power and living standards.

4.2. Case Study of Amazon

The economy of scale can best explain the relationship between enterprises expanding in scale and consumers eventually buying cheap goods. Scale economies enable enterprises to gain cost advantages in producing and delivering products or services. As production scales expand, fixed costs can be distributed on more products, thereby reducing unit costs. In addition, large-scale enterprises often gain better procurement conditions and supply chain advantages, further reducing costs [9]. From Figure 3, we can see that when companies spend money to expand production, increasing from Q_1 to Q_2 , the average cost that consumers can buy in the long term will fall from C_1 to C_2 . This essay will further argue the existence and impact of the economies of scale by taking Amazon as an example. Amazon has reduced procurement costs through economies of scale. As sales scale increases, Amazon is able to negotiate more favorable procurement contracts and prices with suppliers. Amazon has also reduced the cost of procurement by bypassing intermediaries, building its own brand and conducting direct purchases. This decline in purchasing costs enabled Amazon to deliver products to consumers at lower prices [10]. Additionally, Amazon works as an e-commerce platform with a large number of suppliers and third-party sellers. As the Amazon market expanded, more and more suppliers and sellers joined the Amazon platform, creating more jobs. Suppliers need to increase production capacity to meet the need for collaboration with Amazon, while third-

party vendors need to hire more people to handle orders, package goods, and so on. These employment opportunities have expanded the scale of employment throughout the supply chain. According to one study, Amazon's marketing platform has created a lot of jobs for suppliers and third-party sellers [11].

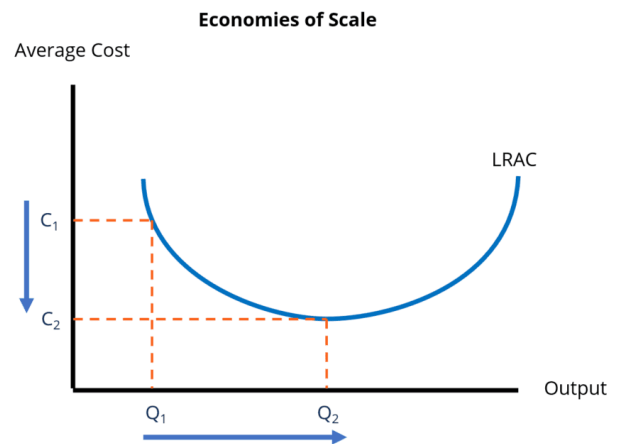


Figure 3. Diagram of economies of scale

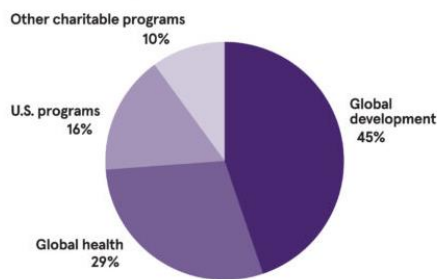
5. Successful Businessmen Make Charitable Donations

Successful businessmen can also make charitable donations by spending money to help others improve their living conditions. Successful businessmen often recognize their position and influence in society and assume a certain social responsibility. Through charity donations, they can give back to the community and help those who need help. This reflects their concern and awareness of society and demonstrates their commitment to social development and the public welfare.

According to Forbes [12], many of the world's wealthy people are actively involved in charity, donating huge sums of money to education, health care, and environmental protection, which contribute to improving social inequality and society's overall well-being. Bill Gates, one of the co-founders of Microsoft, is a successful man in the business world. He co-founded the Bill and Melinda Gates Foundation, one of the largest charities in the world. The Foundation is committed to improving global conditions in the areas of health, education, and public services. They have helped millions to improve their living conditions by providing

medical assistance to developing countries, improving educational resources, and supporting vaccine research and development. The Bill and Melinda Gates Foundation invests globally in improving healthcare conditions, in developing countries. The Foundation is committed to the prevention and treatment of infectious diseases and to improving medical resources and infrastructure. For example, the Foundation is actively involved in HIV/AIDS control and treatment projects worldwide. According to Fig 4, over the past two decades, the Bill and Melinda Gates Foundation has given out \$53.8 billion, most of it seeking to improve global health and U.S. education. Especially in global health, the Gates Foundation has played an important role in promoting global vaccination and disease control. They work with the World Health Organization (WHO) and other partners to eradicate diseases such as polio and malaria. The Gates Foundation also actively supports vaccine development and supply, helping to increase global vaccination rates and protect children from life-threatening diseases [13].

How our foundation spent \$53.8 billion over the past 20 years



Source: Bill & Melinda Gates Foundation

gatesletter.com

Figure 4. Gates Foundation Graphic (Resource: Gates Foundation Report)

6. Conclusion

In summary, taking into account the nature of how successful businessmen make and spend money, this essay discusses the benefits of successful businessmen in both making and spending money. Through entrepreneurship, investment and business operations, businessmen not only create wealth and value, but also have a positive impact on others and society. In terms of earning money, successful businessmen also provide valuable products and services to others, thus meeting consumer needs. Moreover, successful businessmen have achieved the dual benefits of providing consumers with cheaper commodities and creating more employment opportunities by investing in business size and increasing production capacity. When it comes to spending money, ways such as creating job opportunities improve the

life quality of others and promote social development. At the same time, the businessmen, through charitable donations and social investments, give back to society, solve social problems and drive social change. The importance of this essay lies in an in-depth understanding of the sense of social responsibility and influence of businessmen, as well as the interaction between business and society.

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