

# RICH DAD, POOR DAD

What the Rich Teach Their Kids  
About Money -- That the Poor  
and Middle Class Do Not!

ROBERT KIYOSAKI and SHARON LECHTER

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**MAIN IDEA**

It's what's in your head that ultimately ends up determining what's in your hands.

Therefore, if you want more money, change the way you think. That will automatically change the way you act, which in turn will impact on the results you achieve. It all starts in the mind -- successful people invariably start small and build from there. The same applies in every area of making money. The key is not how big you are when you get going -- it's the ideas that you're harnessing. Take the time to find the best ideas and you can ride it all the way to whatever level of financial achievement you decide upon. Nobody else chooses for you -- it always come down to what you decide.

Above all, educate yourself. Develop financial intelligence. Spend time with successful people. read books, attend seminars and learn how to make money work for you. Your life will be more rewarding and more fulfilling if you just take the time to learn and think about where you're heading.

The path to financial wealth doesn't lie in playing it safe. It's far more important to play it smart.

Lesson 1-- Instead of working for money, create ways to make money work for you. . . . . Page 2

A job is really a short term solution (getting enough money to pay the bills) to a long-term challenge (building your net worth). Yet many people get locked into such high expenditure habits they are forced into continuing to work for someone else all their lives. Those who build high net worths, however, realize the key is not how much they are paid -- it's finding ways to make their assets work for them generating additional wealth irrespective of what they do with their own personal time.

Lesson 2 -- Teach financial literacy so that you can distinguish between an asset and a liability, and buy assets. . . . . Page 2

In life, it's not really how much money you make that counts but how much you keep, and how many generations you keep it. To achieve that takes financial literacy. The foundation of financial literacy is to know the difference between an asset and a liability, and buy assets. The rich build and acquire assets. The middle class and the poor acquire liabilities in the mistaken belief they are assets.

Lesson 3 -- Take the time to invest in and build your own business as the foundation of your financial health. . . . . Page 3

Your profession or career revolves around the income section of your personal Income Statement. Your business, on the other hand, is centered squarely on the asset column of your personal Balance Sheet. Never confuse your profession with your business. The middle class focus on their profession, and consequently spend their entire lives building someone else's business. The rich, by contrast, focus on building their own businesses.

Lesson 4 -- As part of your financial strategy, form a corporation to own the assets you are accumulating. . . . . Page 3

Having a corporation own your assets is universally used by the rich to minimize their liabilities and maximize their opportunities to structure their financial affairs as advantageously as possible.

Lesson 5 -- Use the skills of financial intelligence to create ongoing, profitable business opportunities. . . . . Page 4

The main benefit of developing financial intelligence is that it gives you more options -- more opportunities to develop creative solutions to your financial requirements than the standard issue "Work hard, save some money on a regular basis" strategy most people adhere to religiously.

Lesson 6 -- Whenever you have to work for someone else, do it to learn something new -- not just for the money. . . . . Page 5

The smart approach to working is to select a job that will teach you something you don't already know rather than on the basis of what you will earn.

Lesson 7 -- To achieve financial success, you have to be prepared to overcome the obstacles and roadblocks you'll face. Page 6

The five main reasons people fail to develop abundant assets are:

1. They have a fear of losing rather than making money.
2. They are cynical and don't believe it can be done.
3. They are too lazy to change their habits.
4. They let their habits control their behavior.
5. They're arrogant -- a combination of ego and ignorance.

Lesson 8 -- To arrive at your ultimate goal of financial success, you first need to get started. . . . . Page 7

To awaken the financial genius within you and start on the journey to financial freedom, try these steps:

1. Find an emotional reason to start the journey.
2. Reinforce that decision on a daily basis.
3. Choose your friends carefully.
4. Continue learning until you master it; then learn new ideas.
5. Develop the self discipline to pay yourself first.
6. Pay well for good advice from professional advisers.
7. Find ways to make your investments freehold.
8. Use your assets to pay for luxuries, not your capital.
9. Develop some financial heroes -- high achievers.
10. Make the time to teach others what you learn.

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