

## THE BIG IDEAS

### Work & Money

Do you work or does your money?

### Money Psychosis

Avoiding? Attached?

### Choose Your Thoughts

Control your responses.

### Financial Literacy

Get smart.

### Rule One

Buy assets.

### Opportunity Costs

Don't tie yourself up

### Wealth

How many days?.

### Overcoming Obstacles

And having fun.

### Fear (Again)

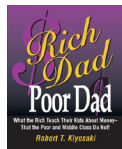
Always, always, always...

### Focus

The sun's rays.

### Give, Give, Give!

Give what you want.



# Rich Dad, Poor Dad

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

BY ROBERT T. KIYOSAKI · BUSINESS PLUS © 2000 · 207 PAGES

“One dad would say, ‘The love of money is the root of all evil.’ The other, ‘The lack of money is the root of all evil.’”

~ Robert Kiyosaki from *Rich Dad, Poor Dad*

Can you believe that [Robert Kiyosaki](#) has written 18 books in the *Rich Dad, Poor Dad* series that have sold over (gasp!) 26 million copies?!?

Yep.

And, as with all success stories, there's a reason. Kiyosaki has a knack for getting right at the heart of the issue and in his simple, unpretentious prose, he captures our attention and gives us some powerful ideas to think about and implement into our lives—addressing what has to be one of the most challenging arenas for all of us: money.

“One dad had a habit of saying, ‘I can't afford it.’ The other dad forbade those words to be used. He insisted I say, ‘How can I afford it?’”

Juxtaposing his biological, educated, government-employed father who always struggled financially (“Poor Dad”) with his best friend's entrepreneurial, wealthy father (“Rich Dad”), Kiyosaki weaves a compelling story about how the rich think more than a little differently than the poor and the middle class.

The challenge with this book, as with so many others, is that there are so many Big Ideas to discuss and so little time. :)

So, let's get to work!

## WORK & MONEY

“Just know that it's fear that keeps most people working at a job. The fear of not paying their bills. The fear of being fired. The fear of not having enough money. The fear of starting over. That's the price of studying to learn a profession or trade, and then working for money. Most people become a slave to money... and then get angry at their boss.”

Well, that (unfortunately) sums it up, doesn't it?

How about you?

Are you in a job you don't love because of fear you won't be able to make it on your own?

And then resenting your boss for your own predicament?

Not a good idea.

That would fall into the “being a Victim” mode psychologists and philosophers alike establish is NOT where you want to play.

As [T. Harv Eker](#) says in his inspiring and practical (and surprisingly funny) book *Secrets of the Millionaire Mind* (see Notes): “You can be a victim or you can be rich, but you can't be both.

*“The poor and the middle class work for money. The rich have money work for them.”*

~ Robert Kiyosaki

*"God will not have his work made manifest by cowards."*

~ Ralph Waldo Emerson

*Listen up! Every time, and I mean every time, you blame, justify, or complain, you are slitting your financial throat."*

Do you have a dream that's being stymied by some fear?

If so, you might want to think about these questions:

- What would you do if you weren't afraid?
- If you were absolutely guaranteed to succeed, what would you dare to dream and to do?

Alrighty.

So, what baby steps can take toward your dreams?

Doesn't have to be quitting your job tomorrow or taking some other huge step, but how can you take a step toward that dream and through the fear?!

While you ponder that, remember [Emerson's](#) wisdom: *"Always, always, always, always, always do what you are afraid to do."* And, he also advises: *"Do the thing you fear and the death of fear is certain."* I guess he felt pretty strongly about it. :)

## MONEY PSYCHOSIS

*"The avoidance of money is just as psychotic as being attached to money."*

Where do you fall on the money psychosis scale?

Attached to it? Avoiding it?

OR!

Healthfully engaged in the circulation (I love that word—especially when used with money!) of abundance?

Good news is that there IS a way out:

## CHOOSE YOUR THOUGHTS

*"Going into our fear and confronting our greed, our weaknesses, our neediness is the way out. And the way out is through the mind, by choosing our thoughts."*

Do you choose what you think or do you find yourself simply reacting to your emotions?

Rich Dad would strongly suggest we learn to choose our thoughts consciously and carefully.

And, while you're at that, it's time for all of us to develop our:

## FINANCIAL LITERACY

*"I am concerned that too many people are focused too much on money and not on their greatest wealth, which is their education. If people are prepared to be flexible, keep an open mind and learn, they will grow richer and richer through the changes. If they think money will solve the problems, I am afraid those people will have a rough ride. Intelligence solves problems and produces money. Money without financial intelligence is money soon gone."*

Are you investing in your financial intelligence?

If you're reading these notes, then I'd definitely say, "YES!"

(And you might dig some of our other Notes on abundance including: [Spiritual Economics](#), [The Science of Getting Rich](#), [Secrets of the Millionaire Mind](#), [The Seven Spiritual Laws of Success](#) and [It's Not About the Money](#).)

*"I want to teach you to master the power of money. Not be afraid of it. And they don't teach that in school. If you don't learn it, you become a slave to money."*

~ Rich Dad

*"If you want to be rich, you need to be financially literate."*

~ Rich Dad

As [Byron Katie](#) says in *Loving What Is* (see Notes): "The greatest stock market you can invest in is yourself. Finding this truth is better than finding a gold mine."

So, what else can you do to invest in your financial intelligence?

For now, remember:

## **RULE #1: BUY ASSETS**

**"You must know the difference between an asset and a liability, and buy assets."**

Do you know the difference between an asset and a liability? Which are you buying?

**"Rich people acquire assets. Poor and middle class acquire liabilities, but they think they are assets."**

Pop quiz: Is the house you live in an asset or a liability?

—> insert "Jeopardy" music here <—

OK. Time's up. Asset or liability?

If you answered "liability" you win.

If you answered "asset," um, hate to break it to you, but Kiyosaki tells us that that mortgage you have is a liability.

*How could that be?!?*

According to Kiyosaki: **"An asset is something that puts money in my pocket. A liability is something that takes money out of my pocket."**

And he continues: **"If you want to be rich, simply spend your life buying assets. If you want to be poor or middle class, spend your life buying liabilities. It's not knowing the difference that causes most of the financial struggle in the real world."**

Why is tying all your money up into a liability like your home a problem?

Consider this:

## **OPPORTUNITY COSTS**

**"The most important rule is to know the difference between an asset and a liability. Once you understand the difference, concentrate your efforts on only buying income-generating assets."**

One of my favorite lessons in Economics 1 at UCLA was the idea of "opportunity costs."

The idea, as you may know, is simple: Whenever we spend time or money on one activity, to equate the cost of that investment (of the time or money) we need to look at both the actual time/money, we invested PLUS what we \*could\* have done with the money. Because, of course, if we do one thing when we could have done another, our potential true cost is huge—WAY bigger than the actual outlay.

Make sense?

We'll let Robert bring the point home: **"The greatest losses of all are those from missed opportunities. If all your money is tied up in your house, you may be forced to work harder because your money continues blowing out of the expense column, instead of adding to the asset column, the classic middle class cash flow problem."**

*[On debt:] "If you find you have dug yourself into a hole... stop digging."*

~ Robert Kiyosaki

*"The rich buy assets. The poor only have expenses. The middle class buys liabilities they think are assets."*

~ Robert Kiyosaki

*"This pattern of treating your home as an investment and the philosophy that a pay raise means you can buy a larger home or spend more is the foundation of today's debt-ridden society."*

~ Robert Kiyosaki

*"...most people work from January to May just for the government."*

~ Robert Kiyosaki

## WEALTH

"Wealth is a person's ability to survive so many number of days forward... or if I stopped working today, how long could I survive?"

I prefer to look at wealth from a higher perspective that includes some other important variables but for now, let's look at it thru Kiyosaki's lens:

How's your wealth looking?

How many days could you survive if you stopped working today?

If that question made you gasp and want to shred this Note and/or run away, please take a deep breath. Honor the process of increasing your financial aptitude, accept what is, and get your mojo cookin'! :)

And, if you've got a nice runway, right on!

How are you going to use that wealth to create even more assets and to serve the world?!?

In either case, remember: "The single most powerful asset we all have is our mind. If it is trained well, it can create enormous wealth in what seems to be an instant."

Check out the book for more info on the pragmatics of financial literacy.

For now, let's take a quick look at the obstacles to creating wealth:

## OVERCOMING OBSTACLES

"There are five main reasons why financially literate people may still not develop abundant asset columns: 1. Fear. 2. Cynicism. 3. Laziness. 4. Bad habits. 5. Arrogance."

The last part of the book is all about overcoming obstacles. It's very cool.

Some of my favorite Big Ideas:

## FEAR (AGAIN)

"We all have tremendous potential, and we all are blessed with gifts. Yet, the one thing that holds all of us back is some degree of self-doubt. It is not so much the lack of technical information that holds us back, but more the lack of self-confidence."

We hit on this theme a little earlier.

(And, if you haven't noticed, we've hit on it in nearly EVERY Note so far. :)

Hmmmmmm...

Question (again!): What would you do if you weren't afraid?

Answer: If I wasn't afraid, I would: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*"Life is much like going to the gym. The most painful part is deciding to go. Once you get past that, it's easy."*

~ Robert Kiyosaki

(Go ahead and write on another 10 (or 100!) pages if you need to! :)

Kiyosaki reminds us: "The fear of losing money is real. Everyone has it. Even the rich. But it's not fear that is the problem. It's how you handle the fear. It's how you handle losing. It's how

*"I recognized that it was excessive fear and self-doubt that were the greatest detractors of personal genius."*

~ Robert Kiyosaki

you handle failure that makes the difference in one's life. That goes for anything in life, not just money. The primary difference between a rich person and a poor person is how they handle that fear."

So...

How are *you* handling your fear?

Let's approach it like the hero in Paul Bunyan's novel *Pilgrim's Progress*.

In the story, his hero has a special shield. A magical shield. It protects him from everything in front of him. As long as he heads straight at his challenges he's invincible!

If, however, he chooses to turn and run away, the shield loses its power and he's suddenly vulnerable. D'oh!

The lesson: GO STRAIGHT AT YOUR CHALLENGES!!

Do so, and you're empowered.

[Emerson](#), you may recall from above, says *the exact* same thing. In his words, we must ALWAYS, ALWAYS, ALWAYS, ALWAYS (!!!!) do the thing we fear and, as we do this, the death of fear is certain.

So, what are *you* afraid of?

What would you do if you *weren't* afraid?

Time to do that.

(And, now would be an acceptable time to do it. If you need to set this down and come back to it later that'd be great. :)

## FOCUS

*"I strongly urge students to learn to take risks, to be bold, to let their genius convert that fear into power and brilliance."*

~ Robert Kiyosaki

"If you have little money and you want to be rich, you must first be 'focused,' not 'balanced.' If you look at anyone successful, at the start they were not balanced. Balanced people go nowhere. They stay in one spot. To make progress, you must first go unbalanced. Just look at how you make progress walking."

I love that.

This is another sentiment echoed by all the great creators and teachers.

A few of my favorite thoughts on the subject:

Alexander Graham Bell: "Concentrate all your thoughts on the task at hand. The sun's rays do not burn until brought to a focus."

Thomas Edison: "The first requisite of success is the ability to apply your physical and mental energies to one problem without growing weary."

[Seneca](#) from [Letters from a Stoic](#) (see Notes): "To be everywhere is to be nowhere."

Peter Senge from *The Fifth Discipline*: "Personal mastery is the discipline of continually clarifying and deepening our personal vision, of focusing our energies, of developing patience, and of seeing reality objectively."

[T. Harv Eker](#) from [Secrets of the Millionaire Mind](#) (see Notes): "The first thing I did was commit to my success and playing to win. I swore I would focus and not even consider leaving this business until I was a millionaire or more. This was radically different from my previous efforts, where, because I always thought short-term, I would constantly get side-tracked by either good opportunities or when things got tough."

## GIVE, GIVE, GIVE!!

“Whenever you feel ‘short’ or in ‘need’ of something, give what you want first and it will come back in buckets. That is true for money, a smile, love, friendship. I know it is often the last thing a person may want to do, but it has always worked for me. I just trust that the principle of reciprocity is true, and I give what I want.”

This echoes [Deepak Chopra](#)’s wisdom from [The Seven Spiritual Laws of Success](#) (see Notes) where he says: “Practicing the Law of Giving is actually very simple; if you want joy, give joy to others; if you want love, learn to give love; if you want attention and appreciation, learn to give attention and appreciation; if you want material affluence, help others to become materially affluent. In fact, the easiest way to get what you want is to help others get what they want.”

So, what do *you* want?

Money? Love? Support? Attention? Appreciation?

How can you give more of it today?!?

Get on that.

And let’s circulate as much abundance as we possibly can as we push our edges and celebrate this precious hero’s journey,

B

**Brian Johnson,**  
*Chief Philosopher*

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you’ll probably like...

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Millionaire Mind](#)

[Seven Spiritual Laws  
of Success](#)

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## About the Author of “Rich Dad, Poor Dad”

ROBERT T. KIYOSAKI



Robert Toru Kiyosaki (born April 8, 1947) is an investor, businessman, self-help author and motivational speaker. Kiyosaki is best known for his *Rich Dad, Poor Dad* series of motivational books and other material. He has written 18 books which combined have sold over 26 million copies. Three of his books, *Rich Dad Poor Dad*, *Rich Dad’s CASHFLOW Quadrant*, and *Rich Dad’s Guide to Investing*, have been on the top 10 best-seller lists simultaneously on *The Wall Street Journal*, *USA Today* and the *New York Times*. The book *Rich Kid Smart Kid* was published in 2001, with the intent to help parents teach their children financial concepts. He has created three “Cashflow” board and software games for adults and children and has a series of “Rich Dad” audio cassettes and disks. He also publishes a monthly newsletter. (adapted from from Wikipedia). Learn more at [RichdadPoorDad.com](#)

## About the Author of This Note

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Brian Johnson loves helping people optimize their lives as he studies, embodies and teaches the fundamentals of optimal living—integrating ancient wisdom + modern science + common sense + virtue + mastery + fun. Learn more and optimize your life at [brianjohnson.me](#).