

A portrait of Robert Kiyosaki, an Asian man with short dark hair, wearing a dark blazer over a grey t-shirt. He is pointing his right index finger directly at the viewer. The background is dark and out of focus.

# ROBERT KIYOSAKI

AUTHOR OF THE INTERNATIONAL BESTSELLER *RICH DAD POOR DAD*

# FAKE

**FAKE MONEY • FAKE TEACHERS • FAKE ASSETS**

**HOW LIES ARE MAKING THE POOR  
AND MIDDLE CLASS POORER**

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# **Best-selling Books**

**by Robert T. Kiyosaki**

## ***Rich Dad Poor Dad***

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

## ***The #1 Personal Finance Book of all time***

A New York Times *bestseller* for nearly seven years  
and a book found on bestseller lists around the world

## ***Rich Dad's CASHFLOW Quadrant***

Guide to Financial Freedom

## ***Rich Dad's Guide to Investing***

What the Rich Invest in That the Poor and Middle Class Do Not

## ***Rich Dad's Rich Kid Smart Kid***

Give Your Child a Financial Head Start

## ***Rich Dad's Retire Young Retire Rich***

How to Get Rich and Stay Rich

## ***Rich Dad's Prophecy***

Why the Biggest Stock Market Crash in History Is Still Coming... And How  
You Can Prepare Yourself and Profit from It!

## ***Rich Dad's Guide to Becoming Rich Without Cutting Up Your Credit Cards***

Turn Bad Debt into Good Debt

## ***Rich Dad's Who Took My Money?***

Why Slow Investors Lose and Fast Money Wins!

## ***Rich Dad Poor Dad for Teens***

The Secrets about Money – That You Don't Learn in School!

***Rich Dad's Escape the Rat Race***

Learn How Money Works and Become a Rich Kid

***Rich Dad's Before You Quit Your Job***

Ten Real-Life Lessons Every Entrepreneur Should Know About Building a  
Multimillion-Dollar Business

***Rich Dad's Increase Your Financial IQ***

Guide to Financial Freedom

***Robert Kiyosaki's Conspiracy of the Rich***

The 8 New Rules of Money

***Unfair Advantage***

The Power of Financial Education

***The Real Book of Real Estate***

Real Experts • Real Stories • Real Life

***Why "A" Students Work for "C" Students  
and B Students Work for the Government***

Rich Dad's Guide to Financial Education for Parents

***Second Chance***

for Your Money, Your Life and Our World

***8 Lessons in Military Leadership***

for Entrepreneurs

***More Important Than Money***

an Entrepreneur's Team

***Why the Rich Are Getting Richer***

What Is Financial Education... Really?

**Books Co-Authored with Donald Trump**

***Why We Want You To Be Rich***

Two Men | One Message

***Midas Touch***

Why Some Entrepreneurs Get Rich—  
and Why Most Don't

**Rich dad often said:**  
***“You cannot catch fish in clean water.”***

... referencing an ancient Chinese proverb

**transparency** noun

trans•par•en•cy | \tran(t)s-ˈper-en(t)-sē

plural **transparencies**

Definition of *transparency*

1. : the quality or state of being transparent
2. : something transparent
3. : the extent to which investors have ready access to required **financial** information about a company such as price levels, market depth, and audited **financial** reports



# DEDICATION

TO THOSE WHO SEEK TRUTH

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# INTRODUCTION

## THE FUTURE IS FAKE

This book, Fake, was completed in April 2018—and being edited for release in the Fall of 2018.

On May 28, 2018, I was walking past a newsstand, scanning rows and rows of magazines that were calling out, “Look at me!” “Pick me up!” “Buy me!” “Read me!”

Obviously, the magazines with pretty women and fast cars on the covers spoke to me the most loudly. Yet, it was a rather bland cover of Time magazine that grabbed me by the collar and said, You must read me. The headline on the cover shouted:

### **How My Generation Broke America**

That magazine article—and the impact it had on me—delayed the publication of this book.

### **The Last Piece of the Puzzle**

Have you ever worked on a giant 1,000-piece puzzle? Have you ever spent hours, sometimes days, sometimes weeks, slowly searching through the thousand pieces, until you finally find the one you’re looking for, the one that makes the puzzle complete?

That article in Time was my last piece of my 1,000-piece puzzle. A puzzle that would create a picture of past, present, and future. Fake needed to include the Time magazine article. And that meant Fake had to be rewritten.

## The Elites

The May 28, 2018, *Time* magazine article written by Steven Brill is about academic elites. Brill himself is an academic elite who attended Deerfield Academy, an elite private prep school in Massachusetts, then graduated from Yale University and Yale Law School.

Quoting Steven Brill from the article:

As my generation of [Baby Boomer] achievers graduated from elite universities and moved into the professional world, their personal successes often had serious societal consequences.

**Translation:** The elites got greedy taking care of themselves, at the expense of others.

They... created an economy built on deals that moved assets around instead of building new ones.

**Translation:** The elites focused on making themselves rich, rather than creating new businesses, new products, more jobs, and rebuilding the U.S. economy.

They created exotic, and risky, financial instruments, including derivatives and credit default swaps, that produced sugar highs of immediate profits but separated those taking the risks from those who would bear the consequences.

**Translation:** The elites created fake assets that made themselves and their friends rich and ripped off everyone else. When the elites failed, they were paid bonuses. Mom, Pop, and their kids would pay for the elite's failures via higher taxes and inflation.

## The First Piece of the Puzzle

Brill's article was the last piece of my puzzle. The first piece of puzzle was reading *Grunch of Giants*, published in 1983.

## Indroduction

*Grunch*, which is an acronym for **G**ross **U**niversal **C**ash **H**eist, was written by Dr. R. Buckminster Fuller, best known as a futurist and inventor of the geodesic dome.



### The U.S. Pavilion at Expo 67

In 1967, I hitchhiked from New York City to Montreal to visit Expo 67: Man and His World, promoted (as previous ones had been) as “The World’s Fair of the Future,” in Canada. The U.S. Pavilion at the World’s Fair was Fuller’s geodesic dome.

Although I did not get to meet Fuller in Montreal, I had the good fortune to study with him several times in 1981, ’82, and ’83. Pictured here are Fuller and me at an event called “The Future of Business,” a week-long event held in Kirkwood, California, near Lake Tahoe, in 1981. For me, each event with Fuller was transformational and life changing.

Singer John Denver called Fuller the “grandfather of the future” in



his song “What One Man Can Do,” which is dedicated to this great man.

Fuller passed on July 1, 1983, approximately three weeks after the last time I studied with him. I remember that I immediately got a copy of his book *Grunch of Giants* and read it. Fuller was saying many of the same things my rich dad had been teaching his son and me. *Grunch* is the story of how the ultra-rich “rip off” the world. *Grunch* was the first piece of my new 1,000-piece puzzle.

Between 1983 and 2018, I studied, read, and attended seminars, listening and learning from anyone who I suspected had pieces of the Grunch puzzle.

In Part Two of this book, Fake Teachers, I will list some of the real teachers I met, read, and studied—real teachers who had pieces of the puzzle.

On May 28, 2018, 35 years after reading *Grunch*, I came across that *Time* magazine with Brill’s article—which was, for me, the last piece of my 1,000-piece puzzle. Brill verified most of Fuller’s concerns and predictions in *Grunch*.

Fuller was a futurist. Many of his predictions and concerns in *Grunch* are coming true today, which is why Brill’s article is “right on time.”

Although Brill’s article delayed the release of this book, I am grateful to him for disclosing his insights, insights from a world that only a few know exist—the world of America’s best, brightest, and smartest academic elites.

In case you are wondering, a few of the more famous “elites” are:

1. President Bill Clinton
2. Secretary of State Hillary Clinton
3. President Barack Obama
4. President George H. W. Bush
5. President George W. Bush
6. Federal Reserve Bank Chairman Ben Bernanke

7. Federal Reserve Bank Chairwoman Janet Yellen
8. Senator Mitt Romney

There are many other elites throughout the world who are running the world.

### **Not a Conspiracy of Bad People**

I am not saying these elites are bad people (although some may be) or are part of a conspiracy. Giving them the benefit of the doubt, I trust most of these people are good people, doing what they think is “right.” The problem is, because they are so smart, they often lack a self-introspection button, causing them to keep doing what they think is right, even though what they are doing is destroying the lives of billions of innocent people.

### **Who Is Grunch?**

Grunch and the academic elites are not necessarily the same people. Fuller did not refer to elites as Grunch. From Fuller’s lectures and books, my recollection is the elites are puppets, and the people running Grunch are the puppeteers. As you know, puppeteers are rarely seen. They prefer to remain behind the scenes, in the dark. In this book, I will do my best to bring the puppeteers into the light.

So, on to this revised version of *FAKE*...

### **What Is Real... and What Is Fake?**

Unless you have been living under a rock, all we hear about today is “fake this,” and “fake that.” Almost everything we once believed in... is now fake.

President Donald Trump has popularized the term “fake news” in calling out the media—for a variety of real or perceived reporting issues. In social media, many people have fake followers. Millions of people spend billions buying fake Rolexes, fake Louis Vuitton, and fake Versace. And there are even fake pharmaceutical drugs.

On January 17, 2019, Time pointed to the difference between ‘information’ and ‘disinformation’ (aka: fake news) with this quote from Roger McNamee’s book *Zucked*, “On Facebook, information and disinformation look the same; the only difference is that disinformation generates more revenue, so it gets better treatment.”

This type of disinformation loop feeds what ticks people off... and keeps them provoked, agitated, and inflamed.

## **Deep Fake**

There is a new technology called “deep fake,” which gives amateur techies the power to capture the images and voices of famous people to produce real fake videos. As expected, the most popular use of deep-fake technology is to take real movie stars and turn them into fake porn stars. A more dangerous use of deep-fake technology is to have a powerful leader declaring war on another country.

Simply said, we can no longer believe our eyes and ears.

In today’s world, verification of what is real and what is fake can mean the difference between wealth or poverty, war or peace, and even life or death.

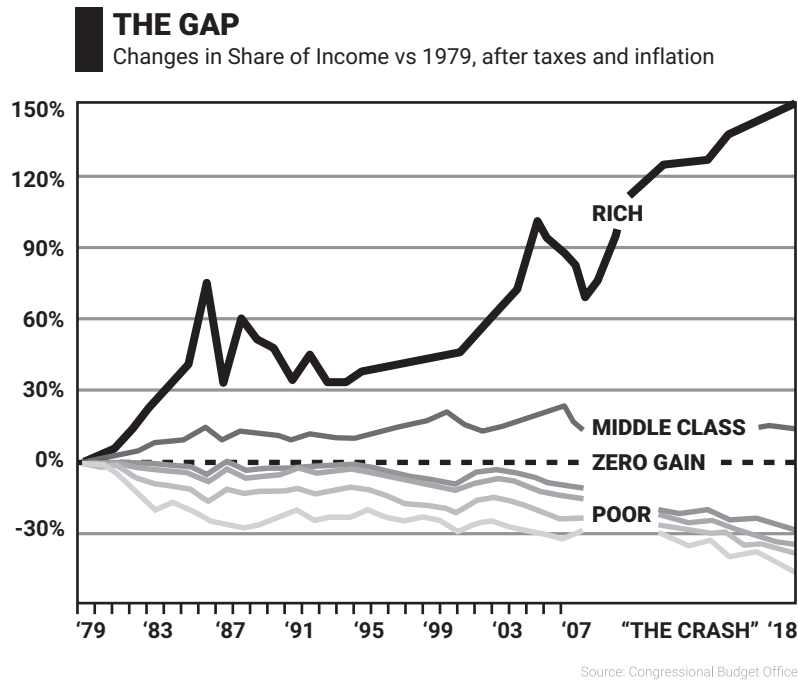
## **What This Book Is About**

This book is about three specific *fakes*:

1. **Fake Money**: Fake money has the power to make the rich richer while at the same time make the poor and middle class poorer.

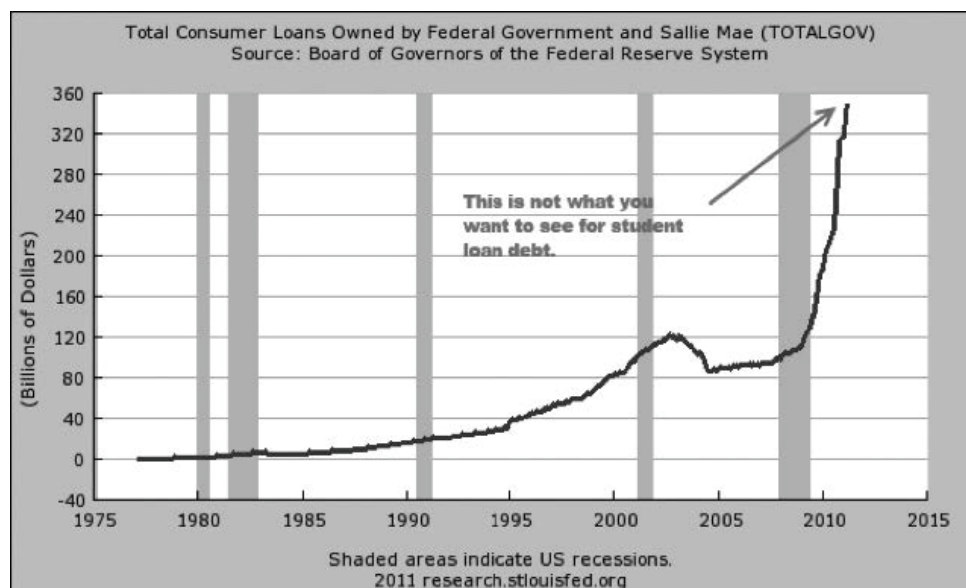


## Indroduction



**2. Fake Teachers:** What did school teach you about money? For most people, the answer is “nothing.” Most teachers are great people. But, our educational system is broken, obsolete, and fails to prepare students for the real world.

Instead of guiding students into the light, our education system is leading millions of young people into financial darkness and the worst type of debt: student loan debt.



Student loan debt is over \$1.2 trillion and is the number one asset of the U.S. government. In the criminal world, this is called *extortion*.

Definitions of extortion:

1. The act of extorting (using force) to take money or property, esp the offense committed by an official engaging in such practice;
2. A gross overcharge.

3. **Fake Assets:** First we need to define and understand the difference between an asset and a liability.

#### FINANCIAL EDUCATION LESSON

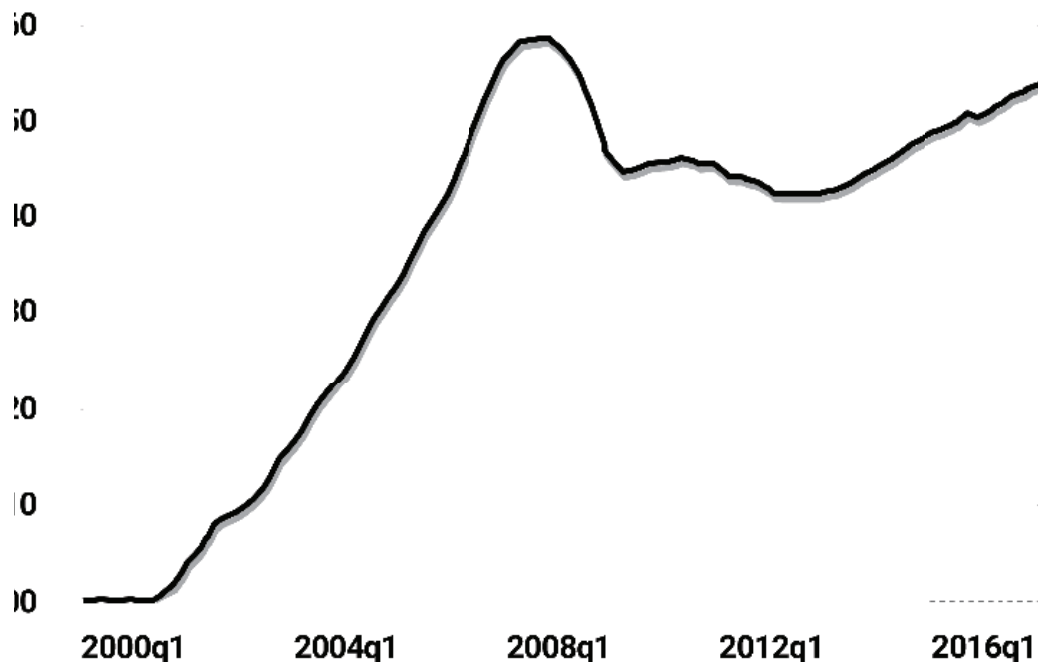
Assets put money in your pocket.

Liabilities take money out of your pocket.

My poor dad always said, “Our house is our biggest asset.” My rich dad said, “Your house is not an asset—it’s a liability.” Millions of people believe their house is an asset.

#### YOUR HOUSE IS NOT AN ASSET

The Global house price index is almost back to its level before the financial crisis. (equally weighted)



In 2008, the housing market collapsed. Except for a few cities like San Francisco, New York, and Honolulu where housing prices have climbed higher, housing prices in many cities throughout the world have not yet recovered, as the above chart with data from the IMF illustrates.

### **Not a Real Estate Crash**

The *real estate crash* was not a real estate crash. It was caused by fake assets—the same fake assets Brill describes in his article. It's worth repeating exactly what he said:

[The elites] created an economy built on deals that moved assets around instead of building new ones. They created exotic, and risky, financial instruments, including derivatives and credit default swaps, that produced sugar highs of immediate profits but separated those taking the risks from those who would bear the consequences.

### **Weapons of Mass Financial Destruction**

Warren Buffett calls derivatives “financial weapons of mass destruction.”

He should know. One of his companies rates and insures these derivatives.

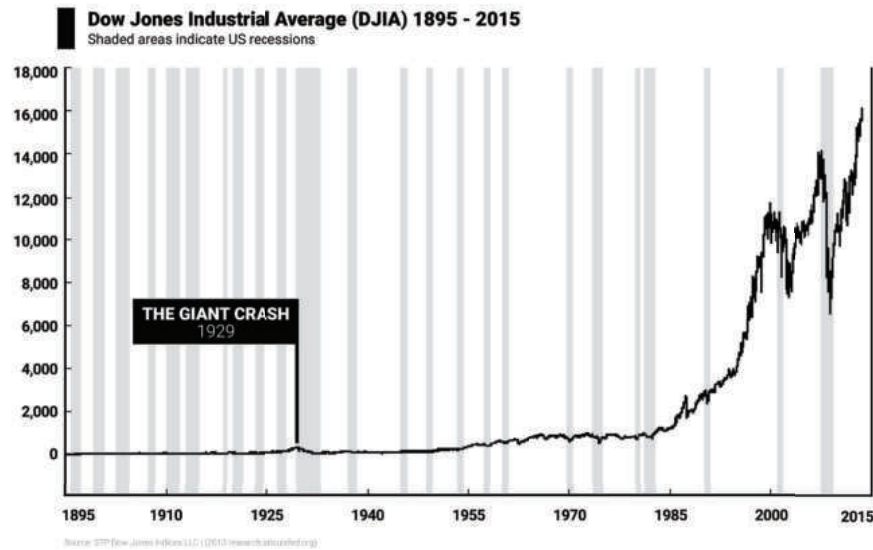
In 2008, almost \$700 trillion in derivates exploded, nearly bringing down the world economy.

Many people blamed the “subprime real estate” buyer for the real estate crash.

The reality was, as Brill confirms, the elites were manufacturing fake assets called derivatives. That was the real problem.

### **A Picture Is Worth a Thousand Words**

On the following page you'll see a chart of 125 years of the Dow Jones Industrial Average, the stock market.



Bucky Fuller taught us to look at the big picture first, then the small picture. Unfortunately, most investors start with the small picture and then go smaller. For example, many investors wake up, check to see if their *one* favorite stock is up or down, then go to work. They may be an expert on, let's say, Amazon, but often fail to see the bigger picture. One stock among thousands of stocks in a global market does not give you much information on the future.

### How to See the Future

Dr. Fuller taught his students, “If you want to see the future, you must start with the biggest picture possible.”

The 125-year chart above points to the value of stepping back to see a bigger picture, a better perspective that has developed over time. Much of this book will be developed along the same lines as this 125-year chart, so you will be better able to see the future from a big picture perspective.

### Money Is Invisible

Another thing you will learn, in this book, is that money is invisible. Charts and graphs offer you the ability to see “invisible money” moving in and out of various markets. In *Rich Dad Poor Dad*, I wrote

about the importance of cash flow, and that's why my wife, Kim, and I created the *CASHFLOW*® board game in 1996. Rich dad often said, "The rich have more cash flowing in, and the poor and middle class have more money flowing out."

And Fuller has taught that, "You can't get out of the way of something you can't see moving toward you." That's why *seeing* the future is so important.

I used the notion of KISS—*Keep It Super Simple*—as I was writing this book. That is why I will use more visuals like charts and graphs, rather tiny facts and figures, which are boring to most people.

### **The Giant Crash**

On the Dow chart, the Giant Crash of 1929 is highlighted for a reason. If you step back, and look at the 1929 crash, and then compare that crash to the "dot.com crash" of 2000, and the "sub-prime crash" of 2008, you get a better perspective on why Fuller wrote *Grunch of Giants*, why I wrote *Rich Dad Poor Dad*, and why Steven Brill wrote "How My Generation Broke America."

I'm repeating Brill's statement, yet again, because it is important:

*[The elites] created exotic, and risky, financial instruments, including derivatives and credit default swaps, that produced sugar highs of immediate profits but separated those taking the risks from those who would bear the consequences.*

The financial booms and busts the world has been experiencing have been caused by trillions of dollars in fake money being pumped into the system by the elites.

Did the elites fix the problem? Of course not. Why fix the problem when the problem makes them rich? Why change? Why do anything differently? Life is good—for the elites.

In 2008, there were almost \$700 trillion in derivatives.

In 2018, the high-end estimate on derivatives was \$1.2 quadrillion

That's right. The elites made the problem bigger, almost twice as big. As I write in 2019, a quadrillion-dollar disaster is waiting to happen.

### The Purpose of This Book

My purpose for writing my books and creating the *CASHFLOW* game is to give ordinary people—people like you and me, non-academic elites—the possibility of surviving, possibly thriving, maybe even getting very rich, after the coming crash. And it's expected that crash will be a *quadrillion-dollar* crash.

### Running the Numbers

We're talking *lots of zeros* here...

#### How Much Is a Million?

Many people dream of becoming millionaires. A million is one thousand times one thousand:

$$\$1,000 \times 1,000 = \$1,000,000$$

#### How Much Is a Billion?

A billion is one million times one thousand:  $\$1,000,000 \times 1,000 = \$1,000,000,000$

#### How Much Is a Trillion?

A trillion is one billion times one thousand:  
 $\$1,000,000,000 \times 1,000 = \$1,000,000,000,000$

#### How Much Is a Quadrillion?

A quadrillion is one trillion times one thousand:  
 $\$1,000,000,000,000 \times 1,000 = \$1,000,000,000,000,000$

This begs the question: what will happen when \$1.2 quadrillion in derivatives explodes?

That is why I have written *FAKE*.

This house-of-cards economy is what happens when academic elites are in charge of our money, our teachers, and our assets.

### **Putting Things into Perspective**

- A billion seconds ago, it was 1987.
- A billion minutes ago, Jesus walked the Earth.
- A billion hours ago, humans lived in caves.
- A billion days ago, humans did not exist.
- Every two hours, the U.S. government spends \$1 billion.

In 1983, Buckminster Fuller predicted this future.

In 1996, the *CASHFLOW* game was created.

In 1997, *Rich Dad Poor Dad* was published.

In 2018, Steven Brill confirmed that the future Fuller saw coming is here today.

This is why I delayed the release of *Fake*.

I wanted you to see the completed puzzle.

# PART ONE

## FAKE MONEY

In 1971, President Richard Nixon took the U.S. dollar  
off the gold standard.

In 1971, the U.S. dollar became “fiat money”... government money.

Rich dad called government money... “fake money.”

He also said:

“Fake money makes the rich richer. Unfortunately...

Fake money also makes the poor and middle class poorer.”

That is why Lesson #1 in Rich Dad Poor Dad is:

**fake**  
***“The rich do not work for ^ money.”***

– RTK



**Lie 1:**  
***Saving money will make you rich.***

# INTRODUCTION

## PART ONE

### **Real financial education:**

Seeing with your mind what your eyes cannot see.

-RTK

# Chapter One

## **FAKE MONEY**

### ***THE WORLD IS ABOUT TO CHANGE...***

**I**n 1972, I was a Marine Corps pilot, a lieutenant flying helicopter gunships, stationed on board an aircraft carrier off the coast of Vietnam. This was my second tour to Vietnam. My first tour was in 1966 as a midshipman, a student at Kings Point, the U.S. Merchant Marine Academy.

In 1966, I was 19 years old, on board a rusty, mass-produced “Victory ship,” a cargo ship built to carry weapons and supplies to fight the Germans, Italians, and Japanese in World War II. Rather than transporting cargo for WWII, in 1966 the rusty old ship was carrying 500-, 750-, and 1,000-pound bombs... to Vietnam.

In 1972, I was a 25-year-old pilot on board another ship. This time it was an aircraft carrier.

#### **A Letter from Rich Dad**

One day aboard the aircraft carrier, I received a letter from my rich dad saying, “President Nixon took the dollar off the gold standard. Watch out, the world is about to change.”

President Richard Nixon took the U.S. dollar off the gold standard on August 15, 1971. He made his announcement during the popular TV show *Bonanza*. Apparently I had missed

that episode of the TV series—and the President’s important announcement.

### **Didn’t Get the Message...**

In 2018, as I write, a majority of people still do not understand the importance of Nixon’s 1971 message. As my rich dad said, “The world is about to change,” and change it did. In taking the U.S. dollar off the gold standard, President Nixon made one of the biggest changes in world history. Unfortunately, few people comprehend—even today—how much that change affects all of our lives, all over the world.

### **Looking for Gold**

In 1972, I had no idea why or how the world was going to change. I did not understand President Nixon’s message. Yet rich dad’s warning in 1972 intrigued me.

In the pilots’ “ready room” onboard the carrier, I found a *Wall Street Journal* and began searching for answers. Even the *Wall Street Journal* had scant coverage about gold, except for a few comments on the price of gold rising from \$35 an ounce, and fluctuating between \$40 and \$60 an ounce. In another publication, I found an article written by some “crackpot” predicting gold would go to \$100 an ounce.

The fluctuating price of gold intrigued me. *Why is the price of gold rising?* I asked myself. *What does it mean?*

---

Today, as I write this book, the price of Bitcoin and other cyber currencies are rapidly rising and crashing. Once again, very few people understand how Bitcoin or blockchain technology currencies are going to affect their lives, their future, and their financial security.

The rising price of gold in 1971 and Bitcoin in 2018 are the rumblings of profound global changes, shifts in global financial tectonic plates, which will cause financial earthquakes and financial tsunamis all over the world.

---

### **Real Financial Education**

Ted was a fellow pilot who was also interested in gold. During our free time, we began our own study, doing our research to better understand the relationship between gold and future global change.

The news was that President Nixon took officially ended the gold standard because the United States was importing too many Volkswagens from Germany, too many Toyotas from Japan, and too much fine wine from France. The United States had a balance of trade problem.

**FINANCIAL LITERACY LESSON: Trade Deficit:** A trade deficit means America was importing more than it was exporting.

**The Problem:** The problem was countries like France, Italy, and Switzerland did not want payment in U.S. dollars. They wanted to be paid in gold. They did not trust the U.S. dollar.

**The Solution:** Nixon “closed the gold window.” This meant no more gold would leave America.

**Real or Fake:** Was this the real reason—or a fake reason—for closing the gold window?

Probably fake. The world did not call President Nixon “Tricky Dick” without reason.

Later in this book you will find out why Nixon’s reason was a lie. Later in this book I will tell you what I believe to be the real reason for taking the dollar off the gold standard.

Nixon also promised to return to the gold standard once the United States got the trade deficit back in balance. He never kept his promise. And he resigned in the shadow of impeachment.

## **Finding a Gold Mine**

Ted and I studied a map of Vietnam and soon found a gold mine. The problem was, in 1972, the United States was losing the war and the gold mine on the map was now in enemy hands.

Ted and I formed a partnership and scheduled a mission for the next day. Our plan was to fly from the carrier, cross enemy lines, locate that gold mine, and buy gold at a discount.

Early the next morning, we lifted off from the carrier and flew approximately 25 miles across the sea into Vietnam. Our anxiety increased as we flew over the burned-out, smoldering wreckage of tanks and other vehicles left behind by the retreating South Vietnamese Army. The North Vietnamese Army was heading south after the South Vietnamese. Once we crossed the line into enemy territory, Ted and I knew we would be in serious trouble if we were shot down and captured. For obvious reasons, we had not told anyone onboard the ship where we were going.

Following the map, we soon spotted a large cluster of giant bamboo surrounding the village we were looking for. The village was about 30 miles behind enemy lines. Rather than rush in, we flew low tight circles, once to the left and then right, over the village. If we had taken fire, the mission would have been over and we would have flown back to the carrier.

Not taking fire and believing we were safe, we landed in a grassy field near some rice paddies. We shut down the aircraft and headed into the village, leaving our crew chief with the aircraft.

Even today, I can still vividly recall Ted and myself, strolling down the village path of hard-packed mud behind enemy lines, waving at Vietnamese villagers as they sold vegetables, ducks, and chickens. No one waved back. Most just stared at us, apparently not believing two American pilots were stupid enough to stroll into their village in broad daylight, in the middle of their farmers market ... in the middle of a war, behind enemy lines.

We smiled and raised our hands, showing the villagers we were unarmed. We had left our personal sidearms with the helicopter. Ted and I walked in without guns because we wanted the villagers to know we came as businessmen with dollars, not as Marines with guns.

We met a young boy who led us to the “gold dealer” deeper in the village. The dealer, a tiny woman whose teeth were bloodred due to chewing betel nuts, smiled and greeted us. Her office was a tiny bamboo shack, with a bamboo blind propped up, indicating she was open for business. Nixon had closed the U.S. “gold window,” but her gold window was open.

### **Real Gold or Fake Gold?**

Ted and I, both Marine pilots and officers with college degrees, soon realized we did not know anything about gold. We had no idea what real gold looked like.

The Vietnamese woman’s gold pieces were tiny nuggets, held in 3-inch diameter, half-inch thick, clear, circular plastic pill cases. Holding up the plastic cases up to the light, we got our first look at real gold. Unfortunately, her gold looked like tiny dried raisins that were painted gold.

“Is this gold?” I asked Ted.

“How would I know?” snapped Ted. “I don’t know what gold looks like. Don’t *you* know what gold looks like?”

“I thought you did,” I replied shaking my head in disbelief. “That’s why you’re my partner.”

The pressure of doing business behind enemy lines was getting to us. Ted thought I was an idiot and I thought the same of him.

### **The Moment of Truth**

Most entrepreneurs have many moments of truths. For Ted and me, our first moment of truth was realizing that, while we might

have been great partners as pilots, when it came to gold, we were both idiots.

After we calmed down and realized we were both idiots, we began our price negotiations.

Our opening bid was \$40 for an ounce. Ted and I did know that the “spot,” the international price of gold, was around \$55 on that day. We thought we could get a discount since we had U.S. dollars and we were behind enemy lines. The tiny woman with red teeth just smirked and was probably thinking, *The two of you are idiots. Don't you know that the spot price of gold is the same all over the world?*

Try as we might, she would not budge off her price. She knew “spot was spot.” And by now she knew we were real idiots. If she had been dishonest, she could have sold us dried raisins painted gold. She could have sold us rabbit droppings painted gold and we would not have known the difference.

### **Panic Sets In...**

Suddenly, our negotiations were interrupted by frantic shouts and terrified screams from our crew chief: “Lieutenants, lieutenants, get back now.” Immediately, my co-pilot and I ceased our negotiations and ran through the villagers’ farmers market and back to the aircraft. I heard a squawk and felt badly when I realized I had accidentally kicked a chicken and then stepped on a duck as I sprinted back to the aircraft.

My imagination was running wild. I could see lines of Viet Cong in black pajamas and North Vietnamese Army troops in khaki uniforms crossing the rice paddies and approaching our helicopter. It was then I remembered we were unarmed and could not defend ourselves. The little woman with the red teeth was right: we were idiots.



## **A Sinking Feeling**

Thank God there were no Viet Cong or NVA. Our crew chief was panicking because our helicopter was sinking. The grassy field I had parked it on was an old rice paddy.

Due to the weight of the engine, rockets, machine guns, and ammunition, the aircraft was settling backward and sinking slowly, the tail rotor nearly touching the mud. We had to start the engine immediately or not start at all.

Our crew chief was the smallest and lightest of the three of us, so he sat in the pilot seat to start the engine, while we, the two pilots, put our shoulders under the tail boom to prevent the tail rotor from striking the ground.

The start was flawless as the main rotor began to turn slowly. As soon as the rotor blades were up to full speed, the crew chief began to gently rock the helicopter back and forth, slowly working and lifting the skids free from the sticky mud, as Ted and I yelled and screamed, warning him if the now-spinning tail rotor dipped too close to the mud.

Everything was going according to plan until the aircraft broke free and into a hover. Immediately, stinky, gooey mud began flying everywhere, covering Ted and me in nasty crud that turned our green flight suits, faces, and hair dark brown.

I climbed into the empty pilot's seat, took control of the aircraft, and Ted climbed into the other pilot's seat, replacing the crew chief, who then climbed into the back to man one of the machine guns.

It was a long, quiet trip back to the carrier. Ted and I said nothing to each other, and the crew chief dared not ask us if we had any gold.

Landing back on board the carrier, Marines and sailors gathered around our mud-covered helicopter. After the aircraft was shut down and secured to the flight deck, Ted and I emerged from the aircraft. The sailors and Marines were now staring at Ted and me, covered with more mud

than our aircraft. Crossing the flight deck, heading for the showers and our rooms, all we said to those staring at us was, “Don’t ask.”

### **Learning from Mistakes**

*Rich Dad Poor Dad* was first published in 1997. Rich dad was a man with very little formal education. Poor dad—my real dad— was an academic genius, graduating with a bachelor’s degree in just two years, doing post-graduate work at Stanford University, University of Chicago, and Northwestern University, and ultimately earning a PhD in education. While I was in school, my dad was the superintendent of education for the State of Hawaii.

I mention my two dads at this time because both dads had completely opposite philosophies when it came to how we learn.

My poor dad believed mistakes meant that a person was stupid. Memorizing “right” answers was the real measure of intelligence.

My rich dad’s philosophy was that mistakes were how people learn. He often said, “You can’t become a champion golfer reading a book. You’ve got to make a lot of mistakes before becoming a real golfer. The same is true for being a real rich person.”

Since I was never an academic genius, I subscribe to my rich dad’s philosophy on real learning.

### **Fake vs. Real**

This book is about fake money, fake teachers, and fake assets. This book is also about real money, real teachers, and real assets.

### **Fake Money**

When President Nixon took the U.S. dollar off the gold standard, the U.S. dollar became fake money.

**Definition of Fake Money:** Fake money makes the rich richer, but makes the poor and middle class poorer.

### **Fake Teachers**

In school, I found out many of my teachers were fake teachers. Simply said, they did not practice what they taught.

In school, I had many fake teachers. When I got to U.S. Navy Flight School, all of my teachers were real teachers. All of my flight instructors could fly.

### **Fake Assets**

Millions of people are investing in fake assets. As I wrote in *Rich Dad Poor Dad*, the definition of an asset is something that puts money in your pocket. For most people, their “assets” are *taking* money from their pockets. Every paycheck, money is extracted and sent to Wall Street via retirement savings programs such as 401(k)s, IRAs, or government pensions.

Millions “save for retirement” for years, hoping their money will return multiplied. Millions of people my age, Baby Boomers, will soon find out they do not have enough money to support themselves after they retire. That’s because the money that was taken out of their paychecks went to fake assets, making the rich richer—and leaving them holding the bag.

### **Real Teacher**

I have been blessed to have had many great real teachers, teachers like my rich dad. Anytime I want to learn something, my first job is to find a real teacher, someone who practices what they teach, do it every day, and are successful at what they do.

The tiny Vietnamese woman was another one of my real teachers. In just a few minutes, not only did she teach me what an idiot I was, but she also inspired me to learn more—not only about gold but about that mysterious, magical, and important subject known as *money*, a subject not taught in school.

## Owning Gold Was Illegal

After Ted and I showered off the mud, we returned to the pilots' ready room for some well-deserved laughter.

Our commanding officer threatened to have us brought up on charges. The operations officer threatened to have us wash our helicopter in front of everyone. Yet it was the weapons officer who got my attention. He said, "If you had brought that gold on board ship, you would have been arrested."

"What? Why would we have been arrested?"

"Because it is illegal for Americans to own gold."

"Why is it illegal?" Ted asked.

The weapons officer did not know. And the incident was dropped. After all, there was a war to fight, and we had more important missions to fly in the morning. The meeting came to an end and we all went to dinner.

But I had a new question in my mind: Why was it illegal for Americans to own gold?

That question led me to continue my ongoing financial education and seek my own answers.

Like my rich dad, I was learning from my mistakes.

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In 1933, President Franklin Delano Roosevelt made it illegal for Americans to own gold. So, like most Americans, Ted and I had seen gold jewelry—but never gold coins, much less gold nuggets. The only money we knew was paper U.S. dollars and metal alloy coins, not real gold or real silver coins.

Today, most people only know fake money.

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## **Ancient Money and Modern Money**

Throughout history, “money” has been many different things. Money has taken the form of seashells, colored beads, feathers, live animals, and large stones.

Today there are three types of modern money. They are:

1. **God’s money:** Gold and silver
2. **Government’s money:** Dollars, Euros, pesos, etc.
3. **People’s money:** Bitcoin, Ethereum, ZipCoin, etc.

The questions this book will attempt to answer are, which monies are real or fake, which teachers are real or fake, and what assets are real or fake.

## **YOUR QUESTIONS ... ROBERT'S ANSWERS**

**Q:** When did you first think about buying gold? And what was your plan?

Barbara E. – Canada

**A:** In 1972, the year I began buying gold, I was not thinking about the future. I was just curious. I was just curious about the relationship of gold to the U.S. dollar.

In 1972, I foolishly thought I could buy gold at a discounted price because I was behind enemy lines. The more I learned about gold, the U.S. dollar, and fake money, the more curious I became.

In 1983, I read Bucky Fuller's book *Grunch of Giants*, and the scale and scope of the global cash heist became clearer. In 2008, the cash heist went out of control when the central banks of the world printed trillions of dollars—in the name of saving the global economy. The central banks were saving themselves and “we the people” paid for it.

In Part Three of this book you will discover how sinister and pervasive this cash heist is today and why this out-of-control cash heist has me concerned about the future.

**Q:** Why is it so difficult for people to trust a start-up?

Momoh S. – Nigeria

**A:** Ideas are a dime a dozen. Millions of people have million-dollar ideas for a new product or business.

Without real financial education, very few people know how to take a million-dollar idea and turn it into a million dollars. That is why most people do not trust start-ups.

**Q:** If I hold all my wealth in fiat money will I lose it all someday?  
Noah W. — USA

**A:** Yes, you will lose it all. If history is a guide, not one fiat currency has ever survived.

Fake money does not hold its value. Could the U.S. dollar be the first fake money in history to survive forever? Yes, but I would not bet on it.

**Q:** Once Nixon took the dollar off the gold standard, how were they able to determine the spot price of gold?

Tessa H. — Peru

**A:** In theory, the spot price of gold is determined by the international free markets. But that is in theory only. Today, the price of gold is manipulated, as are most financial assets.

In Part Three of this book I go into greater detail on how the price of gold is manipulated, why it is manipulated, and why the manipulation cannot go on much longer.

**Q:** Why was it illegal for Americans to own gold? What reason did they give the American people?

Gordon P. — USA

**A:** The Fed, Grunch, and the U.S. government wanted to take control of the money supply and the thousands of smaller banks—smaller banks that competed with the big banks and the Fed.

Not that long ago there were 20 larger banks. Today, there are only four “too big to fail” banks. Everyone is now trapped into a smaller banking system. Many suspect that having the U.S. economy controlled by a few large banks and the Fed has been the plan for a long time.

**Q:** How did the Vietnamese woman know the price of gold if there was no Internet?

Anthony O. – Australia

**A:** She was a professional gold seller. Professionals must know the price of their products. I assume she had a telephone, short- wave, radio, a newspaper, other dealers, and the owners of the mine as resources and as ways to stay in touch with global markets.

A more relevant question is: How many of your friends know what the spot price of gold is today? How many of them are interested in gold?



## PART TWO

# FAKE TEACHERS

When I was nine years old  
I asked my poor dad, the head of Education  
for the island of Hawaii,  
when I would learn about money.

His response:

“We don’t teach about money in school.”

That’s when I went in search of a real teacher.

– RTK

# **INTRODUCTION**

## **PART TWO**

**What made the three wise men wise?**

**What makes a teacher real?**

How can teachers and parents teach you about money  
when our schools have not taught them about money?

-RTK

## Introduction to Part Two

# FAKE TEACHERS

**T**he story of *Rich Dad Poor Dad* is a story about two teachers—two great teachers.

My real dad was an academic elite much like Dr. Fuller, who attended Harvard, and Steve Brill, who graduated from Yale. My dad, my poor dad, was a straight-A student in high school and his class valedictorian. He completed a four-year undergraduate program, graduating with his bachelor's degree in two years from the University of Hawaii. He then went on to Stanford University, University of Chicago, and Northwestern University for his advanced studies, ultimately earning his PhD in education.

My rich dad never completed high school. His dad passed away when he was 13 years old, and he took over the family business. In spite of his lack of formal education, he grew the business into a statewide hotel and restaurant operation.

In the 1960s, rich dad took a bold step and purchased a small hotel on Waikiki Beach. Using that hotel as his base of operations, he began to assemble smaller pieces of beachfront property adjacent to his hotel.

Today, when I look at the Hyatt Regency on Waikiki Beach, I know that it was rich dad who started small and “assembled” small plots of

beachfront land into the large tract of land that the Hyatt Regency sits on today.

In 2016, the whole property sold for \$756 million.

### **The Story of Rich Dad Poor Dad**

The story of *Rich Dad Poor Dad* begins in 1956, when I was nine years old and in the fourth grade. I was growing up in the sugar plantation town of Hilo, Hawaii, a beautiful town far, far away from the bright lights of Waikiki Beach. Our family had moved from Honolulu to Hilo when I was seven. When I was nine, we moved from one side of Hilo to the other side of town. At the age of nine, I was in a new school with new classmates.

The first thing I noticed about my new classmates was that they were rich. Many were *haole*, is a Hawaiian word often used to describe white people. The rest were Asian-American, like me. Most of my “white” classmates were children of the owners of the sugar plantations and businesses like the car dealership, the meat-packing company, the two largest grocery stores, and the banks. The Asian- Americans were children of doctors and lawyers. I was the child of a school teacher.

My classmates were great. They were friendly and welcoming. I knew they were richer than me because most had new bicycles, they lived in big homes on a private island, their parents belonged to the yacht club and the country club, and they had vacation homes either at the beach or on their ranches in the mountains.

I had a used bicycle that my dad bought for \$5. I did not know what a yacht club or country club was. Crossing the bridge to the private island where many of my *haole* classmates lived was like crossing a bridge into another world. I could not believe the size of the homes. When I was invited to their “second homes,” I could not believe the beauty of the beach homes or the homes on their ranches.

Our family lived in an older house that we rented, two blocks from my new school, next to the Hilo Library. The land our home was built on is a parking lot today.

I had never felt poor, until I went to a school with rich kids. That is why, when I was nine years old, I raised my hand and asked my teacher, “When will we learn about money?”

Caught off guard and flustered by my question, my teacher, an older woman near retirement, stammered for a while, then finally replied, “We don’t teach money in school.”

There was more to her reply than simply her words. It was the tone, the energy behind her words that communicated her message. For a moment, I felt I was back in Sunday School. I sensed my teacher was really saying, “Don’t you know that ‘the love of money is the root of all evil’ and ‘Money is filthy lucre’?”

In Sunday School, I was taught that filthy lucre was a financial temptation from the devil.

Not satisfied with her answer, I asked again, “When will we learn about money?”

Still a bit flustered, she said, “Go ask your father why we don’t teach money in school. After all, he is the head of education.”

### **Poor Dad’s Response**

My father just chuckled when I told him about the upset in class. He was smiling when he said, “Son, never ask a teacher a question he or she cannot answer. Teachers must know all the answers. They are not trained to say, ‘I don’t know.’ You embarrassed her.”

“But why doesn’t she know anything about money?” I asked.  
“Because teachers do not need to know anything about money.”  
“Why is *that*?”

“Because teachers have job security. They cannot be fired—even if they are bad teachers. Teachers have a government retirement pension and health care. That is why they do not need to know anything about money. And best of all, teachers have all holidays and summers off—with pay.”

Still confused, I asked, “But why, Dad? Don’t we all use money?” I followed those two questions with this statement: “I just want to know why my classmates are rich, and why we are not.”

“Son,” my dad replied, a bit more seriously, “You love baseball? Don’t you?”

“Yes. I love baseball.”

“Would you ask your teacher about the game of baseball?”

“No. She doesn’t know anything about baseball.”

“And she doesn’t know anything about the game of money either.”

“But why not?” I persisted. “Why do my classmates have more money than us? Shouldn’t she be teaching me about money, so I can be rich like my classmates?”

Shaking his head, my dad replied, “You love fishing, don’t you?”

“Yes.”

“Would you ask your teacher about where to catch fish?”

“No,” I replied.

“And she knows nothing about money.” My dad said, “If you want to get through school, don’t ask your teacher questions about subjects they know nothing about. If you are in math class, ask your teacher math questions. If you are in science class, ask your science teacher science questions. If you do that, you will do well in school. If you make your teachers look stupid, they will make you look stupid.”

## **The Real Reason We're Not Taught about Money in School**

My dad then said, "The main reason money is not taught in school is because teachers can only teach what the government allows us to teach."

"You teach what the government tells you to teach?" I couldn't believe what I was hearing.

My dad nodded and said, "Even as superintendent of education, I have little control over what is taught in school."

"So how do I learn about money?" I asked.

My dad chuckled again. And, after pausing to think a moment, he suggested, "Why don't you talk with Mike's dad?"

Mike was my best friend. "Why Mike's dad?" I asked.

"Because he is an entrepreneur."

"What is an entrepreneur?" I asked.

"Someone who owns a business," replied my dad. "Entrepreneurs do not have a job. An entrepreneur's job is to create jobs."

"And what are you? Aren't you an entrepreneur? You have hundreds of teachers working for you."

"That's correct. But I did not create the school system. I am a government employee, just like all the other teachers. Employees and entrepreneurs are very different people."

"What's the difference?" I asked. I was nine years old and his words, the distinction he was making between the two, made no sense to me. I had heard the word *employee*, but I had never heard the word *entrepreneur*.

Poor dad was happy to explain. "Our school system trains people to be employees. Employees do not need to know about money. That is why there is no financial education in our schools," he said.

“Entrepreneurs must know about money. If the entrepreneur does not know about money, employees lose their jobs and the entrepreneur is often out of business.”

That was the answer I was looking for. I knew I could be an employee. I did not know if I could be an entrepreneur. And if I wanted to be a successful entrepreneur, I had to know about money.

A few days later, I rode my bicycle to Mike’s house, where his dad had his office in his home, and asked if he would be my teacher.

And that is how, where, and when the story of *Rich Dad Poor Dad* began.

### **Is Education Important?**

In the 1960s, when I was kid growing up in Hilo, Hawaii, education was not that important. Hilo was a sugar plantation town. There were plenty of high-paying jobs, even for those who did not finish high school. The plantation paid great wages to drivers of the large cane trucks, giant field crane operators, and heavy- equipment operators in the sugar mill.

On top of that, the plantations paid workers a paycheck for life, which meant they did not need a retirement plan. With a paycheck for life, who needed financial education or a college degree? Many plantation workers made more money than school teachers.

The plantations provided company housing, had their own hospitals, healthcare facilities, doctors, and nurses. The plantations paid their workers well, took great care of them and their families... which is why a great education was not essential.

That all changed in 1994, the year the last plantation in Hawaii shut down. The owners moved their sugar plantations to lower-wage countries in South America and Asia.

The owners, my classmates’ parents, got richer, but the workers were poorer.



## **Honoring a Great Teacher**

In February 2018, I returned to Hilo for the 60-year reunion of our fifth grade class. Imagine that: a group who met as ten-year-olds was still holding regular class reunions.

The reason for our reunions was not about our class or our classmates, but to honor our fifth grade teacher, Mr. Harold Ely, one of the greatest teachers in our lives.

It was Mr. Ely's inspiration that kept me reaching for my dreams, although I failed high school English twice because I could not write. If not for Mr. Ely's early inspiration I might have dropped out of high school. If not for his early inspiration, I would never have been accepted into the U.S. Merchant Marine Academy and sailed the world. It was in his fifth grade class that I was inspired to follow the great explorers in history—Columbus, Magellan, Cortés, and Cook—and follow a path that led me to the academy, a very tough school. My dream was to sail into Tahiti, which I did in 1968, while a student at the academy.

Today, I am best known as a writer and I continue to travel the world, following in the footsteps of the great explorers. None of that would have happened without the inspiration of a great teacher in the fifth grade.

The most important lesson Mr. Ely taught our class was to stand up after falling down, and that falling down and standing up made us stronger. He also taught us never to let anyone rob us of our dreams.

## **Electronic Welfare**

In 2018, while attending this reunion, I had time to do something I had not done in years: wander around the town of Hilo. I had not been in Hilo since the plantations left Hawaii.

In store windows everywhere, I saw signs welcoming EBT. The acronym EBT stands for Electronic Benefits Transfer, a government

welfare system that replaced paper food stamps. EBT is a system that allows a recipient to authorize a money transfer from their federal government account to a retailer to pay for products received. The EBT program has been in use in all 50 states since 2004, as well as Washington D.C., Puerto Rico, the Virgin Islands, and Guam.

Stopping in a small food store, I asked the retailer about EBT cards. He said, “Many people cannot survive without EBT” but that, in most cases, EBT alone was “not enough to get a family through the month.”

He went on to tell me that at the start of every month, EBT cards are electronically replenished at midnight. Recipients line up in the evening, and rush in at 12:01 a.m, to purchase food and supplies. In many ways, EBT is a reflection of America and the world today.

Tying this back to education, begs these questions: Will going back to school get people off EBT? Will going back to school bring back high-paying jobs?

### **A Million Dollars in Debt**

Here’s an article from *The Wall Street Journal*, May 25, 2018:

*DRAPER, Utah—Mike Meru, a 37-year-old orthodontist, made a big investment in his education. As of Thursday, he owed \$1,060,945.42 in student loans.*

*Mr. Meru pays only \$1,589.97 a month—not enough to cover the interest, so his debt from seven years at the University of Southern California grows by \$130 a day. In two decades, his loan balance will be \$2 million.*

*He and his wife, Melissa, have become numb to the burden, focused instead on raising their two daughters. “If you thought about it every single day,” Mrs. Meru said, “you’d have a mental breakdown.”*

## **Subprime Education**

In 2008, the world economy nearly collapsed due to subprime real estate mortgages. In 2008, the Federal Family Education Loan (FFEL) program was unable to lend money to students due to the collapse of subprime mortgages.

In 2010, President Barack Obama eliminated FFEL and required all new student loans to be “direct loans.” Private lenders begin offering private student loans to students independently from the government programs.

In 2012, student loan debt surpassed the \$1 trillion mark, as well as credit card debt. As of 2018, federal student loan debt is the number one asset of the U.S. government.

The way I see it, the United States went from subprime mortgages for poor people to subprime education for poor students. Subprime education loans are the worst-of-the-worst loans. At least a subprime mortgage can be forgiven via bankruptcy. Most subprime education loans can never be forgiven.

Are schools ever going to teach real financial education? Without real financial education, education will always be subprime.

## **Inflation**

In an earlier part of this book, I wrote about inflation. Without inflation, the banking system, Mandrake’s Magical Money Show, and Grunch’s cash heist will not work.

A few reminders:

- Without inflation, Mandrake cannot pay back the money that was printed.
- When there is inflation, people spend faster, afraid prices will keep rising.
- If there is deflation, people stop spending, waiting for lower prices.

- The banking system must produce inflation, or the economy collapses.
- Inflation steals from the poor and middle class.
- The people who can least afford inflation pay the highest price: they pay with their lives.

The *New York Times* ran this piece on June 30, 2018:

***San Francisco Is So Expensive, You Can Make Six Figures and Still Be ‘Low Income’***

*In the latest sign of the astronomical cost of living in parts of California, the federal government now classifies a family of four earning up to \$117,400 as low-income in three counties around the Bay Area. ...*

*The “low income” designation allows people to qualify for affordable housing and a variety of government programs. ...*

*The average [San Francisco-area] household that receives [housing] assistance makes just \$18,000. ...*

*The median home price has climbed above \$1 million. ... The second highest [low-income] threshold is in Honolulu. ...*

*The New York City area, where a family of four earning up to \$83,450 is classified as low-income, came in at No. 9.*

That pesky question again: Will more education solve this problem?

**More from *The New York Times* ...**

This was the headline:

***Lesson of the Blue Wave Primaries? We’re All Struggling Now***

The article starts with the story of Alexandria Ocasio-Cortez, a 28-year-old bartender and Democratic Socialist, who beat long-time incumbent Joseph Crowley in the Democratic primary.

The article was about why socialism is gaining in popularity, and promoted a new book, *Squeezed*, on the causes driving a socialist agenda.

*Squeezed: Why Our Families Can't Afford America examines the deteriorating fortunes of the middle-class—the teachers who sustain themselves with second jobs as Uber drivers; the young adjunct professors on food stamps; the unemployed 50-year-olds with few prospects; the junior lawyers far from the Wall Street partner track, carrying heavy student loan debt, whose work is already being automated.*

*The New York Times* article continued:

*If you live in a place where a master's degree won't permit a lifestyle that looks much different from an office clerk's—if, in fact, it means you moonlight in a cubicle you despise and eating lentils for dinner in the Rubbermaid TakeAlongs you brought from home—it follows that you will be less likely to think of yourself as a member of the privileged elite to which you have been told you belong and more inclined to find affinity with the broadening numbers of the more obviously oppressed, and vote accordingly.*

Ocasio-Cortez ran on a platform of free Medicare and tuition-free public college and trade school. She won with that message.

Here's that question again: would free college educations solve the problem?

And, if the government gave all deserving people \$1 million, would the \$1 million make them rich?

If millions of dollars made people rich, why are 60 percent of former NBA players broke within five years of retirement? Why do most lottery winners fail to use that financial windfall to secure their financial future? We've all heard the stories of lottery winners who could have been set for life... but are broke.

Let's take this to a higher level. Why is America, the richest country in world history, so deeply in debt?

And, my favorite question: why is there no financial education in our schools?

There are many reasons, a number of answers, many excuses, and many solutions... none of them easy. The issue continues to be sidestepped and ignored—another can kicked down the road—and we wonder why we see the problem of growing income inequality.

In Part Two, Fake Teachers, you will learn how to spot fake teachers from real teachers. As my poor dad explained, most teachers know nothing about money, so how can they teach you about money?

But it's not only school teachers who know nothing about money. Many financial experts know little about money. Most have never really studied the subject of money. Most are not rich, and yet they get paid for being financial educators. Many financial experts make the subject of money confusing, using jargon and words most people do not understand—jargon and vocabulary that make them seem smart and you stupid. They are not real teachers. They are financial con artists.

### **Make the Invisible Visible**

Since money became invisible in 1971, the most important thing I can do is do my best to make real financial education visible.

When you can “see” invisible money, then you can decide for yourself what is real and what is fake financial education.

As always, I will do my best to KISS: Keep It Super Simple. But even when it's simple, real financial education not easy. If it were easy, everyone would be rich.

As my rich dad said, “It is easier to give a man a fish... than to teach a man to fish.”

## Introduction to Part Two: Fake Teachers

That is why socialism grows in popularity in America, the richest country in the history of the world.

Many people would rather be given fish—because being given a fish is much easier than learning to fish. And shouldering the responsibility for their financial future.

Real learning and real education require much more than just memorizing the right answers. That is not real life. In fact, in Part Two, Fake Teachers, one thing you will learn is how going to school keeps people poor, even academic elite students like my poor dad.

If you want to be given fish, this book is not for you. If you are willing to learn to fish, read on.

## PART THREE

# FAKE ASSETS

My banker always said: “Your house is an asset.”

But whose asset is it... really?

– RTK



# INTRODUCTION

## PART THREE

**Why are the poor and middle class getting poorer?**

Because they invest in fake assets  
that they think are real assets.

-RTK

## Introduction to Part Three

# FAKE ASSETS

**“T**he rich do not work for money.”

“Savers are losers.”

“Your house is not an asset.”

These are statements from *Rich Dad Poor Dad*, first published in 1997.

These statements were so controversial back in 1997 that every book publisher we approached turned the book down. A few of them stated, “You do not know what you are talking about.”

That was more than two decades ago.

In 2018, many highly educated elites continue to say that I do not know what I am talking about. Statements like “your house is not an asset” and “savers are losers” violate every cell in their highly educated elite brains. They want to believe their house is an asset and that saving money is the smart thing to do.

The problem is: a house is a fake asset. So are our savings—our money and our retirement savings.

In Part Three of this book, you will learn that most people are investing in fake assets or counting on fake assets to provide a paycheck for life once their working days are over.

In Part Three: Fake Assets, you will find out that most people are investing in real liabilities, not real assets.

The good news is that in Part Three, you will find out why most people invest in fake assets... and how you can invest in real assets.