

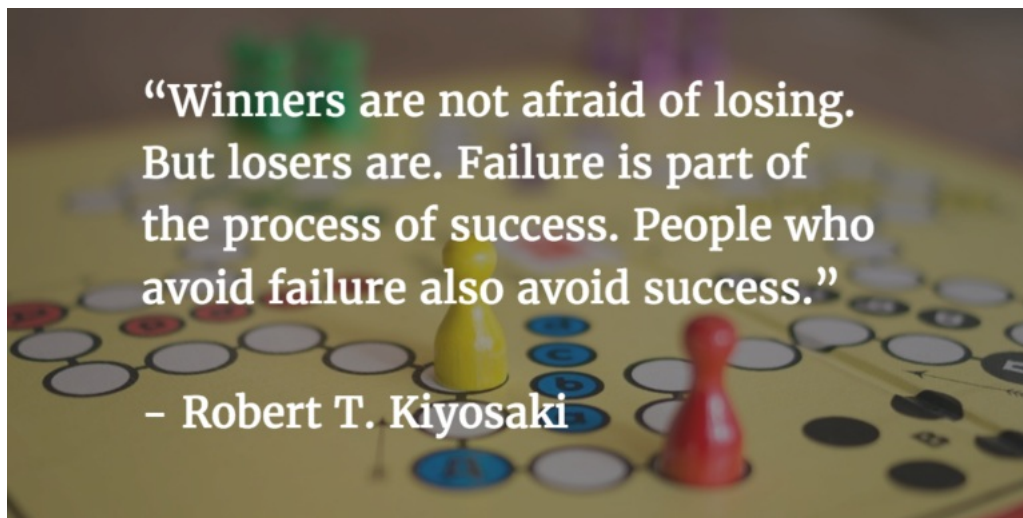
Second Chance Summary

 fourminutebooks.com/second-chance-summary

1-Sentence-Summary: *Second Chance prepares you for the greatest evolutionary event in history, which we're all living through right now: the shift from the Industrial Age to the Information Age, where jobs and traditional educations aren't the right tools to build wealth anymore.*

Read in: 4 minutes

Favorite quote from the author:



Robert T. Kiyosaki is a legend, controversial, but still a legend. Rich Dad, Poor Dad was one of the first books on here. Last year, he published a new book called Second Chance, which helps you deal with the aftermath of the 2007, 2008 subprime mortgage and housing, and subsequent worldwide financial crisis.

Where “get a degree, work hard, become wealthy” was the blueprint for financial success in the industrial age, those claims don’t work any longer. Kiyosaki suggests taking a different route.

Here are 3 solid principles from the book to help you take your finances into your own hands:

1. Schools only teach people how to be poor.
2. Pick one of the 4 asset categories and start learning.
3. Don't fear debt – as long as you're using it to acquire assets.

Buckle up, you're about to get some serious crisis-prep!

Lesson 1: You can't get a financial education in school, they only teach you to be poor.

As I read this, I made a shocking realization: **Education might not be the solution to eliminate poverty.**

For years I've been angry at governments around the world for not investing into the education system. However, even if every country in the world had a proper education system, that might not solve the problem. Yes, people who finish high school and get degrees earn more on average, but that doesn't make them good at handling finances.

Robert thinks 50, 100 years down the line and until then the old school-college-job-retirement model might not even remotely work out anymore – its demise has long begun.

By not actively being taught the basics of finance in school, and instead trying to push us into the employee-mindset of a hard-working, tax-paying consumer, **schools teach us to handle our money poorly, no matter how much we eventually end up making.**

Even the million dollar salary of a BMW board member starts to look a lot less attractive considering they have to pay 50% of it in taxes. But if a job's not the way to go, then what should you do?

I'm glad you asked.

Lesson 2: Pick one of the 4 asset categories and start educating yourself.

Robert has long been talking about the 4 categories of assets. Right after taking stock of your current financial situation with an income statement and a balance sheet, listing out all of your incomes, expenses, assets and liabilities, you should pick the asset category you're most curious about and start learning.

No one's going to educate you about finance, you'll have to do it yourself. Here are the 4 categories with examples:

1. **Businesses** – you can own one or multiple, and they ideally don't require your presence. This could mean leaving the CEO position of a company you've built and becoming an advisor or running one or more online businesses, which keep running even when you don't actively work on them every day.
2. **Real estate** – buy apartments, houses, condos, land to build on or warehouses. Learn everything you can about housing prices, survey an area near where you live for cheap deals and interview real estate agents to know all there is to know before pulling the trigger.
3. **Paper assets** – stocks, IOUs, bonds, ETFs, index funds, options, derivatives, penny stocks. Basically anything you can buy via a broker. The options are vast, ranging from long-term investments to short-term deals.
4. **Commodities** – agriculture, live stock, silver, gold, rare metals, oil, natural gas, even water is a commodity. These investments are often used to hedge against anything money-based, such as credits, loans and currencies, because when all goes to hell, these will still be worth something.

Robert himself is most invested in commodities and real estate. He loves buying historic buildings and has a knack for gold. Thanks to his dozens of books he also has a nice passive income stream on the business side.

It doesn't matter which one of these most fascinates you, what counts is getting started today, because learning about these is what'll help you reach a financial level of independence no job can provide you with.

Lesson 3: Don't fear debt. Instead, take on debt and use it to acquire assets.

Have you heard of cases where someone got a raise, but ended up worse than before due to switching tax rates? This happens all the time and proves working harder isn't always the best solution to making more money.

Robert loves to do the opposite of what everyone else does. The worldwide financial crisis has left us terrorized of taking on debt. And when you look at what most people use it for, that's not inappropriate. Paying \$250,000 for a medical degree, or depreciating liabilities like a new car or TV sure is scary.

But using debt to make more money by doing less isn't. Loans have never been cheaper, you can get huge sums of money at 1%-3% interest rates, and Robert says he's happy to seize this opportunity.

As long as you invest the money in assets that'll make you more money than you owe, there's no reason you should fear taking on debt.

Robert started buying real estate in the 1980s, and thanks to doing his homework, had no problem with taking on a \$45,000 loan to finance a small apartment for \$50,000 – at 10% interest! His monthly payments for the loan came out to \$450, but since the area the apartment was in was up and coming, he got \$750 in rent – that's an extra \$300 going right into his pocket, every month.

If you know what you're getting into, you can use debt to create assets and generate more money by doing less.

Second Chance Review

I just watched The Big Short this morning and was left in shock, awe, and with a desire to learn more about investing, instantly. So I did Not only was it cool to get some reminders of the lessons from Rich Dad, Poor Dad, but thinking about the future of our history really got me inspired.

Robert says Second Chance explains why he wrote Rich Dad, Poor Dad, because now's the time to reveal some of the uncomfortable truths we'll have to face in the near future.

I'll leave you with the recommendation to pick up the summary of this book on Blinkist or get yourself a copy, and a line from The Big Short: The truth is like poetry – and most people fucking hate poetry.

[Read full summary on Blinkist](#)

[Get the book on Amazon](#)

[Learn more about the author](#)

What else can you learn from the blinks?

- Why the American economy is rigged and how that makes the middle class disappear
- How to get an adequate financial education and why it's not taught in school
- Examples for income, expenses, assets and liabilities
- Why self-awareness plays a big role in your financial career
- What school taught you about learning skills that's also just wrong

Who would I recommend the Second Chance summary to?

The 16 year old math geek, who can prepare herself for the real world by picking up finance books on the side right now, the 41 year old family-father with a mortgage, who thinks his own house is an asset, and anyone who's really scared of debt.