

Rich dad	Poor Dad
Taxes punish those who produce and reward those who don't produce.	Rich should pay more in taxes to take care of those less fortunate.
Study hard so you can find a good company to buy.	Study hard so you can find a good company to work for.
Learn to manage risk.	When it comes to money, play it safe. Don't take risks.
My house is a liability (responsibility), and if your house is your largest investment (laying out money with expectation of profit), you're in trouble.	Our home is our largest investment and our greatest asset.
<p>I'm a rich man, and rich people don't do this." Even when he was flat broke after a major financial setback, he continued to refer to himself as a rich man.</p> <p>There is a difference between being poor and being broke. Broke is temporary. Poor is eternal.</p>	I'll never be rich. And that prophecy became reality.
How to write strong business and financial plans so I could create jobs.	How to write an impressive resumé so I could find a good job.
Encouraged talking about money and business at the dinner table	Other forbade the subject of money to be discussed over a meal.
I'm not interested in money, OR Money doesn't matter.	Money is power.
He spoke out against the entitlement mentality and how it created weak and financially needy people. He was emphatic about being financially competent.	<p>He was concerned about pay raises, retirement plans, medical benefits, sick leave, vacation days, and other perks. He was impressed with two of his uncles who joined the military and earned a retirement and entitlement package after twenty years of active service. He loved the idea of medical</p> <p>benefits and PX privileges the military provided its retirees. He also loved the tenure system</p>

	available through the university. The idea of job protection for life and job benefits seemed more important, at times than the job. He would often say, “I’ve worked hard for the government, and I’m entitled to these benefits.
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## Quotes

1. You’re only poor if you give up
2. Opportunities come and go. Being able to know when to make quick decisions is an important skill.
3. Life is the best teacher of all. Each push is life saying, ‘Wake up. There’s something I want you to learn. Life pushes all of us around. Most people give up and only a few fight, learn the lesson and move on.
4. The excitement of winning should always be always greater than the fear of losing
5. It’s not how much money you make. It’s how much money you keep.

**Lesson # 1:** The poor and the middle-class work for money. The rich don’t work for money they have money work for them.

- People’s lives are forever controlled by two emotions: fear and greed.
- First, the fear of being without money motivates us to work hard, and then once we get that paycheck.
- Second greed or desire starts us thinking about all the wonderful things money can buy
- The avoidance of money is just as psychotic as being attached to money.
- A job is really a short-term solution to a long-term problem.

Rat race (Lifestyle Inflation) : The pattern of get up, go to work, pay bills. People’s lives are forever controlled by two emotions: fear and greed. Offer them more money and they continue the cycle by increasing their spending.

- How they made money work for them
  - 1) Could not sell the book
  - 2) Used and torn book
  - 3) Made a library for children
  - 4) Allowed them to read the book in the library for as much time as long as the library is open
  - 5) Could read 7-8 books
  - 6) 10 cents for an hour

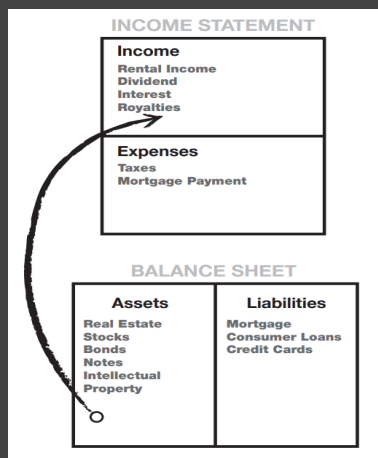
7) Made 9\$ instead of 10 cents

### # Assets and Liabilities

- Rich people acquire assets. The poor and middle class acquire liabilities that they think are assets.
- An asset puts money in my pocket. A liability takes money out of my pocket.

**Lesson # 2:** It's not how much money you make. It's how much money you keep.

1. Your assets Should be large enough to grow by themselves.  
Eg : It's like planting a tree. You water it for years, and then one day it doesn't need you anymore.  
Its roots are implanted deep enough. Then the tree provides shade for your enjoyment.
2. Intelligence solves problems and produces money. Money without financial intelligence is money soon gone.
3. You must know the difference between an asset and a liability, and buy assets.



- ☐ I owe you, I owe society. I am going to work harder to make a good reality
- ☐ I have to make more money this year than I did last year
- ☐ Goal is to delay my taxes
- ☐ Focus on passive wealth - stocks, real estate - More qty of shares
- ☐ Get more property and more stocks
- ☐ You don't have to be the best but you have to do the best you can do
- ☐ Spend things on experiences , not things
- ☐ Spend money on things which go up in value

- ☐ There's no lifetime forever home, focus on below market deals, build acuity - simple things like paint carpets, little \$ on kitchen and rent out as higher \$\$
- ☐ 1st - real estate  
2nd - stocks

### # Lesson 3 : MIND YOUR OWN BUSINESS

1. The rich focus on their asset columns while everyone else focuses on their income statements.
2. Financial struggle is often directly the result of people working all their lives for someone else.
3. To become financially secure, a person needs to mind their own business
4. Life is sometimes tough when you do not fit the standard profile
5. Start minding your own business. Keep your daytime job, but start buying real assets, not liabilities.
6. A true luxury is a reward for investing in and developing a real asset.

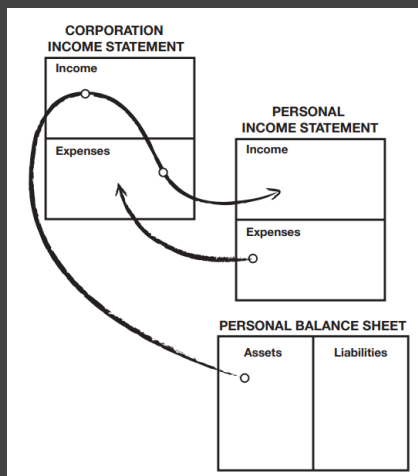
Businesses that do not require my presence

- ☐ Stocks
- ☐ Bonds
- ☐ Income-generating real estate
- ☐ Notes (IOUs)
- ☐ Royalties from intellectual property such as music, scripts, and patents
- ☐ Anything else that has value, produces income or appreciates, and has a ready market

### # Lesson 4 : THE HISTORY OF TAXES AND THE POWER OF CORPORATIONS

1. My rich dad just played the game smart, and he did it through corporations— the biggest secret of the rich
2. . A corporation is merely a file folder with some legal documents in it, sitting in some attorney's office and registered with a state government agency. It's not a big building or a factory or a group of people.
3. A corporation is merely a legal document that creates a legal body without a soul.
4. The harder you work, the more you pay the government.
5. Allows a seller to delay paying taxes on a piece of real estate that is sold for a capital gain through an exchange for a more expensive piece of real estate.
6. Real estate is one investment vehicle that has a great tax advantage.
7. Play the game smarter, and he did it through corporations—the biggest secret of the rich
8. If you work for money, you give the power to you employer. If money works for you, you keep the power and control it

9. Pay for - smart tax accountants and attorneys
10. Know the law because he was a law-abiding citizen and because it was expensive to not know the law
11. Each dollar in my asset column was a great employee, working hard to make more employees and buy the boss a new Porsche.
12. In less than three years, I was making more in my real estate holding corporation than I was making at Xerox. And the money I was making in my asset column in my own corporation was money working for me, not me pounding on doors selling copiers. My rich dad's advice made much more sense. Soon the cash flow from my properties was so strong that my company bought me my first Porsche.



### 13. 4 Main Area

- ☐ Accounting : financial literacy or the ability to read numbers.
- ☐ Investing : science of “money making money.” This involves strategies and formulas
- ☐ Understanding markets: science of supply and demand. You need to know the technical aspects of the market, which are emotion-driven, in addition to the fundamental or economic aspects of an investment.
- ☐ The law : awareness of accounting corporate, state and federal regulations.
  - Tax advantages : A corporation can do many things that an employee cannot, like pay expenses before paying taxes.. A corporation earns, spends everything it can, and is taxed on anything that is left. It's one of the biggest legal tax loopholes that the rich use. They're easy to set up and are not expensive if you own investments that are producing good cashflow
  - Protection from lawsuits : s. When someone sues a wealthy individual, they are often met with layers of legal protection and often find that the wealthy person actually owns nothing. They control everything, but own nothing

Much of that \$19,000 a year goes to pay for our company cars, gas, trips, insurance, dinners with clients, and other things. By the time the government gets a chance to tax that income, it's been spent on legally allowed pre-tax expenses.

Business Owners with Corporations	Employees Who Work for Corporations
1. Earn	1. Earn
2. Spend	2. Pay Taxes
3. Pay Taxes	3. Spend

## # LESSON 5: THE RICH INVENT MONEY

1. Often in the real world, it's not the smart who get ahead, but the bold
2. Strongly urge students to learn to take risks, to be bold, and to let their genius convert that fear into power and brilliance
3. Wealth is in information.
4. Old ideas are their biggest liability
5. The rich make money. The more real you think money is, the harder you will work for it. If you can grasp the idea that money is not real, you will grow richer faster
6. The single most powerful asset we all have is our mind. If it is trained well, it can create enormous wealth.
7. "buy, create, and sell" transactions
8. Take the time to develop your financial intelligence Harness the power of your brain and the asset column
9. Achieve financial growth:
  - ☐ real estate : as my foundation. my properties provide cash flow and occasional spurts of growth in value
  - ☐ small-cap stocks : fast growth.
10. The problem with "secure" investments is that they are often sanitized, that is, made so safe that the gains are less.
11. Encourage people to invest more in their financial education than in stocks, real estate, or other markets. The smarter you are, the better chance you have of beating the odds
12. It is not gambling if you know what you're doing. It is gambling if you're just throwing money into a deal and praying
13. Love real estate because it's stable and slow-moving. I keep the base solid. The cash flow is fairly steady and, if properly managed, has a good chance of increasing in value.
14. Great opportunities are not seen with your eyes. They are seen with your mind
15. Two Kinds of Investors

- ☐ 1 Type who buys a packaged investment. They call a retail outlet, such as a real estate company, a stockbroker, or a financial planner, and they buy something. It could be a mutual fund, a REIT, a stock or a bond.
- ☐ 2 Type :creates investments. This investor usually assembles a deal in the same way a person who buys components know how to put pieces of opportunities together, or know people who know how. more professional investor , my rich dad encouraged me to be. It is important to learn how to put the pieces together, because that is where the huge wins reside, and sometimes some huge losses if the tide goes against you.

#### 16. How to Be 2 Investor

- Find an opportunity that everyone else missed.
- Raise money. : how to raise capital, and there are many ways that don't require a bank , d "tying it up," with a written contract between seller and buyer.
- Organize smart people : Intelligent people are those who work with or hire a person who is more intelligent than they are. When you need advice, make sure you choose your advisor wisely

### # LESSON 6 : WORK TO LEARN— DON'T WORK FOR MONEY

1. Job security meant everything to my educated dad. Learning meant everything to my rich dad.
2. Financial intelligence is a synergy of accounting, investing, marketing, and law
3. "You want to know a little about a lot" was rich dad's suggestion.
4. "Leadership is what you need to learn next,

