

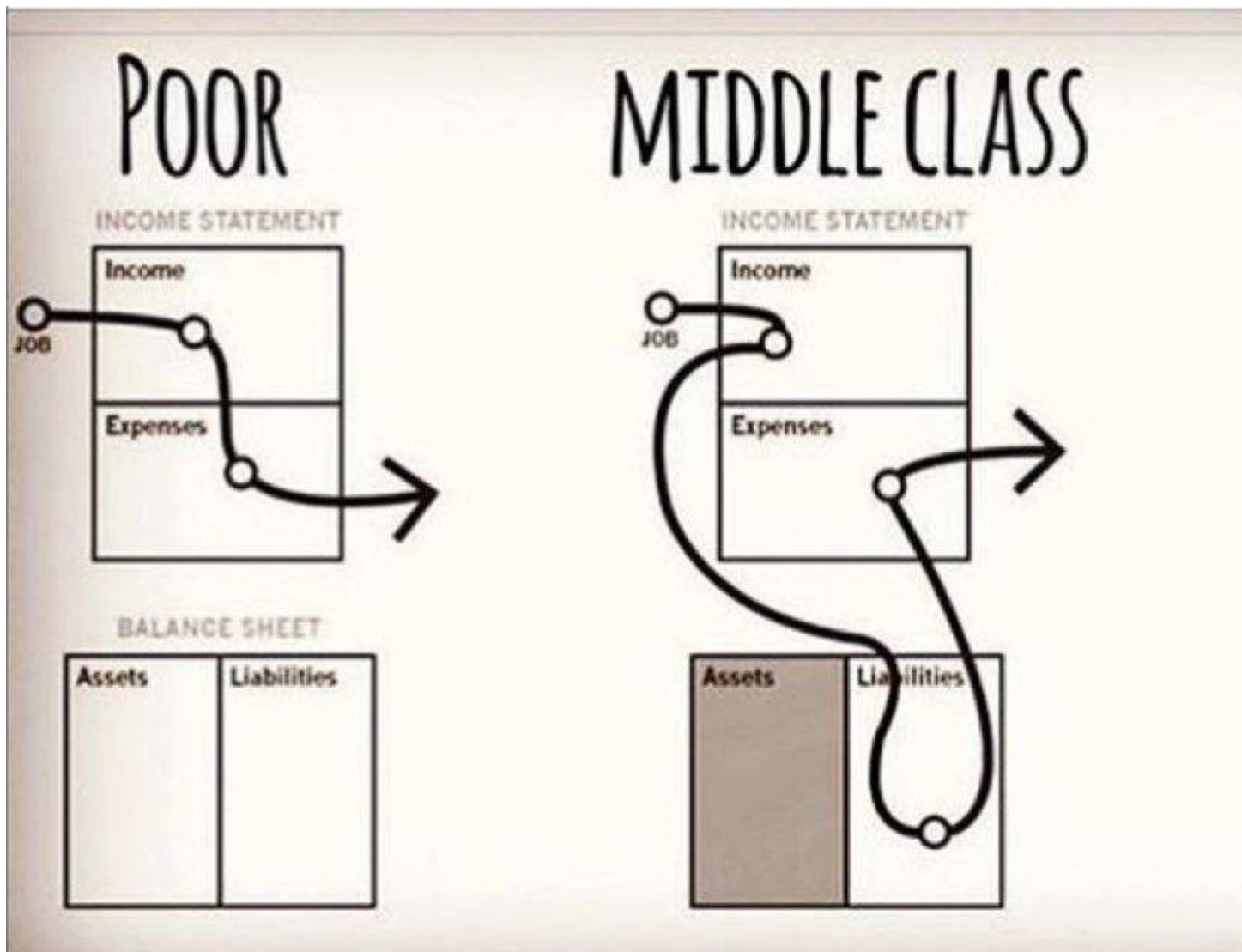
## SECTION 102: 2026 BOOK 02 - Rich Dad Poor Dad:

My summary

A secular book on finance showing in graphic form and in English how to get above the fray financially.

Lessons learned (But fictional!) –

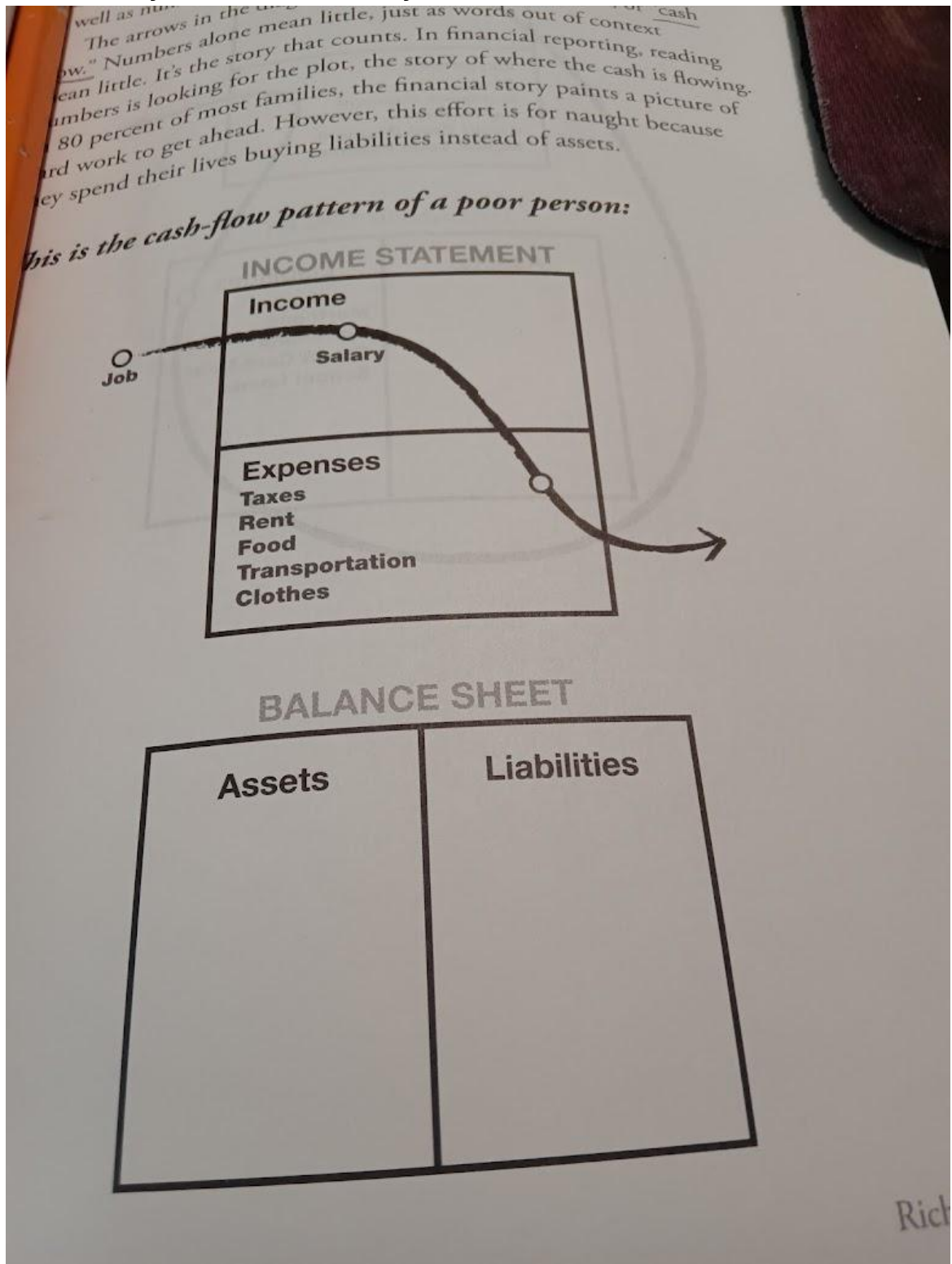
This diagram says is all (Rich = Wealthy = All income needed is derived from earnings on Assets)



## Take aways

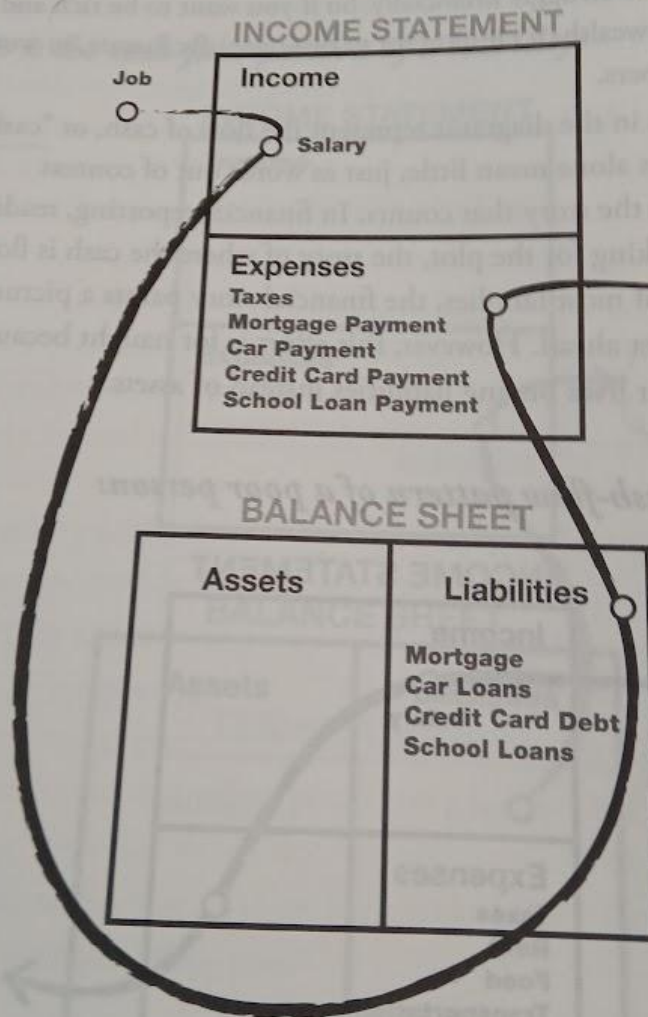
- **Lesson 1: The rich do not work for money**
- There is a huge gap between intelligence and financial intelligence
- Financial intelligence is not taught in schools
- Financial intelligence is taught by your parents
- Rich dad was an entrepreneur
- Poor dad was a highly educated professor.
- Poor (I can't afford it); Rich (How can I afford it)
- Our national debt is due in large part to highly educated politicians and government officials making financial decisions with little or no training in the subject of money.
- The cone of learning – learn by doing, not by reading
- Life pushes us around - learn the lessons and move on- don't blame others for your problem and "hope for the best" expand yourself
- Don't let life push you into submission.
- Have mentors teach you what they know about money more than paying you for work – the education will help (His comic book story rocks it)
- If you think someone else is the problem (Boss etc.) that can't help (you can't change them).
  - If you know you are the problem, you can fix yourself!
- The poor and middle-class work for money. The rich have money to work for them.
- More income won't help you if you have the previous mindset
- You need to have the mindset of the rich:
  - Learn financial intelligence
  - Have your money work for you...
- Fear and Greed are not good emotions for financial intelligence
- Emotions are Energy in motion – make sure you have positive energy
- Observe your emotions- use your emotions to think – NOT think with your emotions.

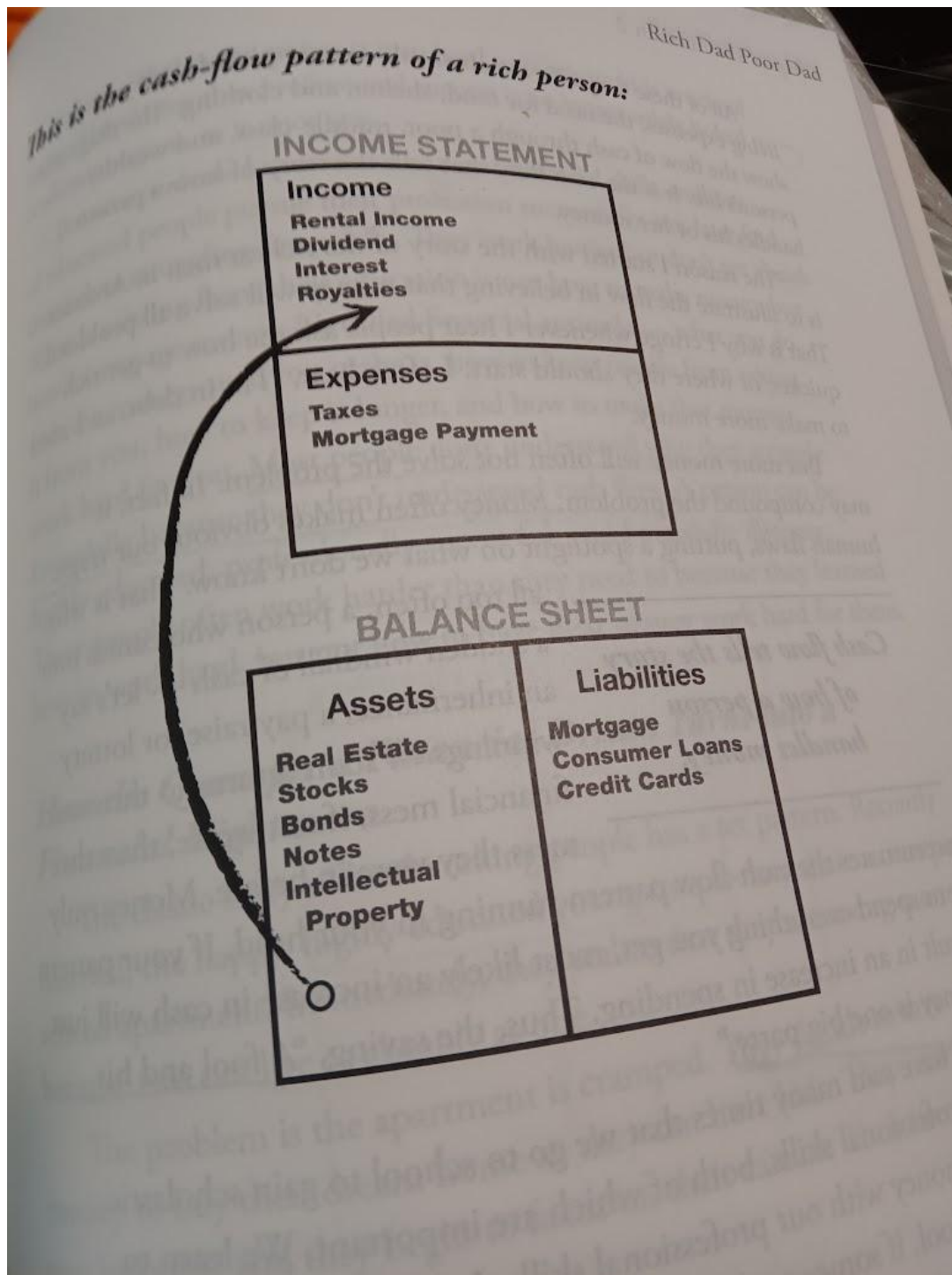
- Lesson 2: Why teach financial literacy?



Chapter Two: Lesson 2

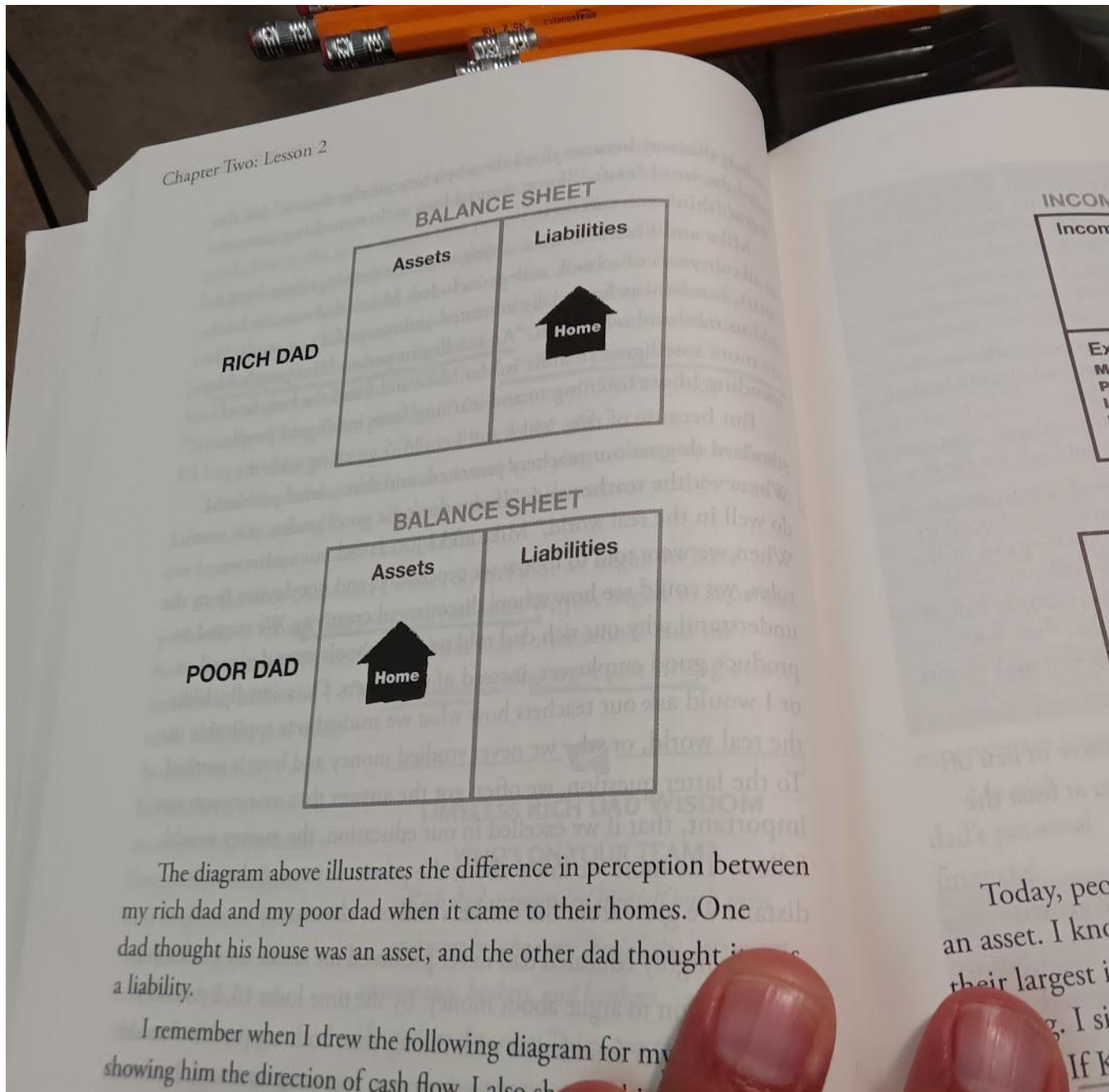
*This is the cash-flow pattern of a person in the middle class:*





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- More money – poor expense, middle liabilities, rich invest
- Wealth is how long you can live on your holdings

- The intelligent person hires people who are more intelligent than he is A HOME IS NOT AN ASSET! – or at best is a NON EARNING ASSET



- Build assets to live off of not more liabilities.



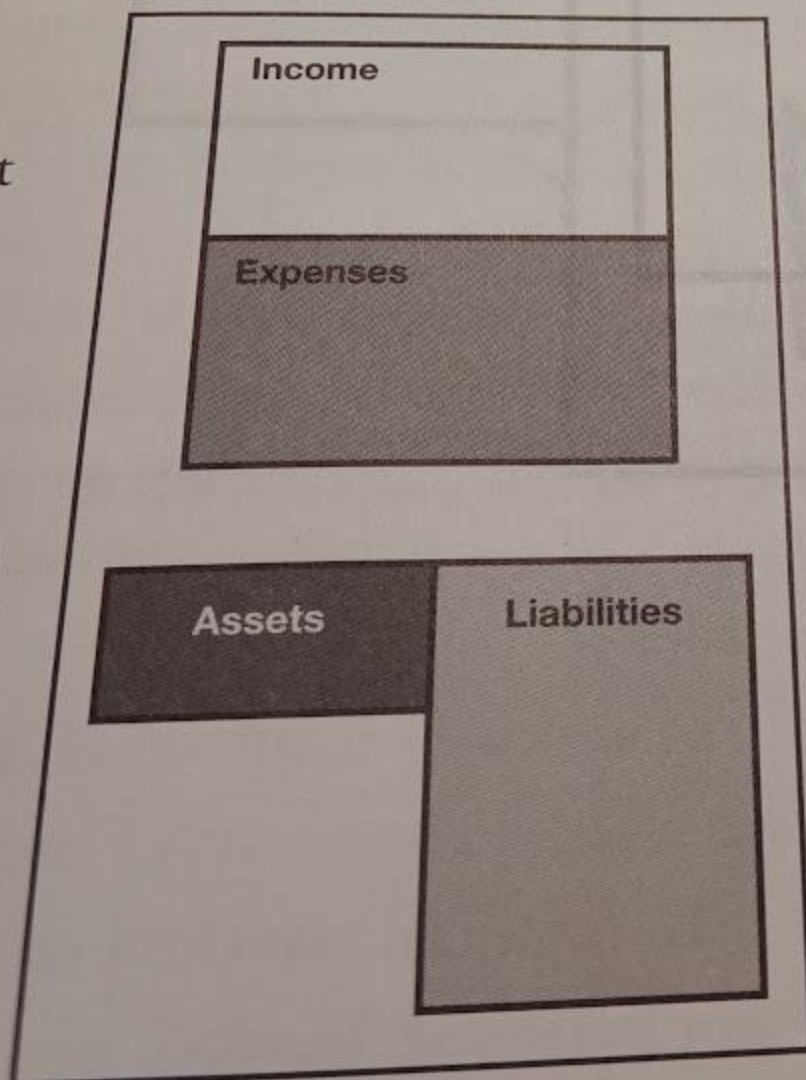
income, never  
ing him enough  
er to invest in  
As a result, his  
ies are larger  
s assets.

Like it or not, money tells the score of your "game,"  
and a financial statement is your scorecard.  
Banks want financial statements — Income  
Statement and Balance Sheet — to know how well  
you're scoring in your life's financial game.

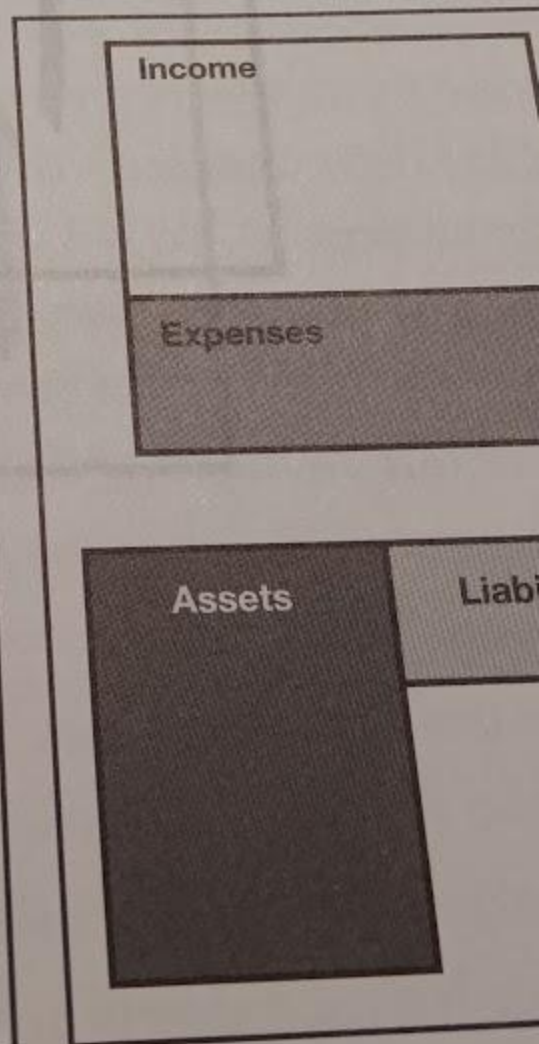
following diagram on the left shows my poor dad's income  
statement. It is worth a thousand words. It shows that his income and  
expenses are equal while his liabilities are larger than his assets.

ich  
onal

***Poor Dad's  
Financial Statement***



***Rich Dad's  
Financial Statement***





- R Buckmaster fuller – Wealth is when income from assets > expenses
- Wealth is a persons ability to survive so many days forward. If I stopped working, how long would I survive?
- Non cash earning assets – shit sitting in your garage cars crap the condo, the house.
- The rich buy assets, the poor only have expenses, the middle class has liabilities that they think are assets

- **3.Mind your own business**

- Mc Donalds own real estate that it their business
- Car Washes and all own the real estate more than the car wash
- Mind your own business
- What is your business (I don't own a bank; banking is my PROFESSION)
- You need to worry about your BUSINESS (401k investment money) and your PROFESSION (what earns you that money)
- Your business is minding what is in your asset column
- College, you don't become what you study, your PROFESSION is based off of what you study
- Financial struggle is people working all their lives for somebody else
- Poor and middle class have no assets and can't afford to take risks like rich people.
- If you want to start working full time and use the money extra and time off to invest in yourself and your business
- Rich people have MONEY to take the risks
- Put each dollar in the asset column to work
- Rich people use the asset results to buy luxuries, poor by the luxuries as liabilities (borrow on them)
- Acquire the types of assets you love so you'll take better care of them.

- **4.The history of taxes and the power of corporations.**

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- Rich dad = Robin hood was a crook – take from the rich and give to the poor
- The rich never have paid for the poor – they have ways around that
- The middle class and especially upper middle class pay for the poor
- The narrative is that the rich had to pay taxes to help the poor but only the middle class really pays the taxes – in reality, the rich are not punished
- Government sux – no profit motive - the more people he hires and the larger his organization is, the more he is respected.
- Business- the fewer people I need and the less money I need, the more I am respected by my investors.
- The rich created corporations for shipping in the 16<sup>th</sup> century to share risk and reward – shipping was expense and risky so share the burden.
- We still use the corporations today.
- No matter what the take it from the rich crowd came up with, the rich always found a way to outsmart them – this is how taxes got levied on the middle class. The rich outsmarted the

intellectuals solely because they understood the power of money, a subject not taught in schools.

- Money goes from the middle class to the rich (government contracts) and government workers mostly who want a big bureaucracy
- The biggest bully that exists is not the boss, but the tax man –
- Every time the people try to punish the rich, the rich don't comply – they react
- Section 1031 – real estate taxes – corporations tax AFTER expenses where people pay taxes BEFORE expenses
- If you work for money, you give the power to your employer – if money works for you you keep the power and control it.
- You can work your way up the ladder or own the ladder
- Focusing on minding your own business makes you a better employee because you want to be diligent and come in early and do a good job (is sales or hourly) so you can amass the assets that will work for you via savings
- Financial IQ = Accounting + Investing + the law + experiences

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#### • **Lesson 5: The rich invent money**

- Balls and brilliance make more difference for success than school grades
- Excessive fear and self doubt are the greatest detractors of personal genius.
- Being financially literate gives you more options.
- Historical wealth => land => Capital => Knowledge
- Don't buy a boat
- Play the CASHFLOW game
- If you have real estate and play the game right through a company or 1031, you can create untaxed wealth.
- Use examples:
  - To inspire people to learn.
  - To let people know it is easy if the foundation is strong
  - To show that anyone can achieve great wealth
  - To show that there are millions of ways to achieve your goals
  - To show that it is not rocket science
- Do what you know (real estate and small cap?)
- If you have a business idea, you'll have to know how to find the right opportunity everyone else missed, raise money and organize smart people.

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#### • **Lesson 6: Work to learn, not for money**

- Sales training is important for many reasons.
- Education – you want to know a lot about a little – Rich dad- you want to learn a little about a lot, learning speed is critical.
- Take a second job that will teach you a second skill. Work and learn.
- Highly specialized people should unionize but that won't help them – if the company or work situation goes under.

- You need to be excellent on business systems.
- The more specialized you become, the more trapped you become,
- Executives on the fast track at GM had a fast track are **groomed** and not over specialized
- The world is full of talented poor people.
- The main management skills for success are:
  - Management of cash flow
  - Management of systems
  - Management of people

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### • **Lesson 7: Overcoming obstacles**

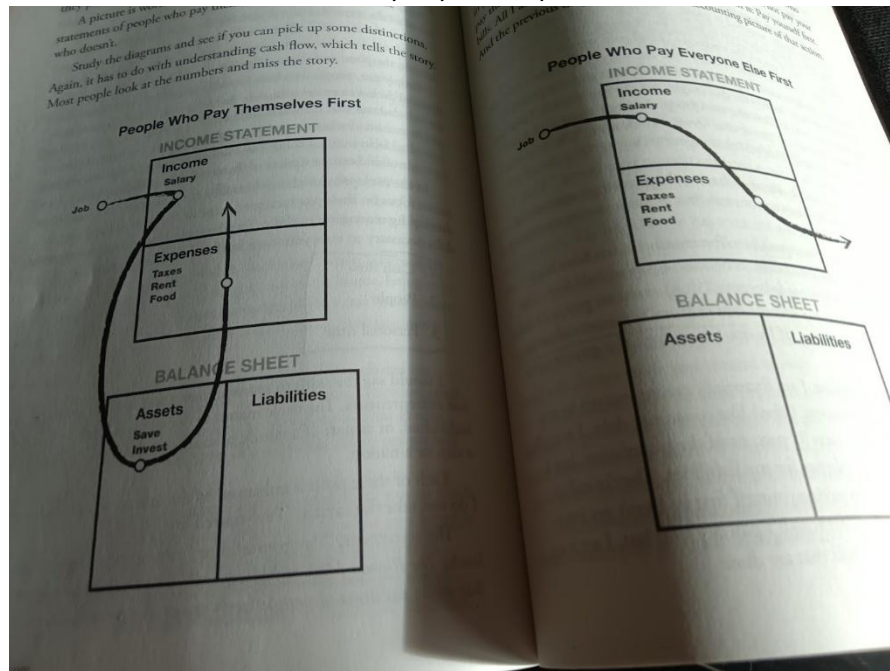
- We can be afraid, but it's all about how you handle fear.
- Winning means being unafraid to lose.
- The right mindset is that failure makes you stronger and smarter.
- There is a difference between hating to lose and being afraid to lose
- FOCUS: Follow one course until successful.
- Mistakes are opportunities to learn.
- **Tax lien certificates?**
- Cynics criticize; Winners analyze.
- Automate stop orders.
- If you are worried about chicken little, look at COLENL SANDERS he fries them.
- People keep busy to avoid what they do not want to face.
- It's not I can't afford it; its How can I afford it.
- Radio station wii-fm (What's in it for me)
- Guilt is worse than greed as it robs your soul
- Do what you think is right (Because your damned if you do and damned if you don't)
- Pay yourself first and let the rest work itself out.
- When I'm arrogant, I believe that what I don't know is not important.

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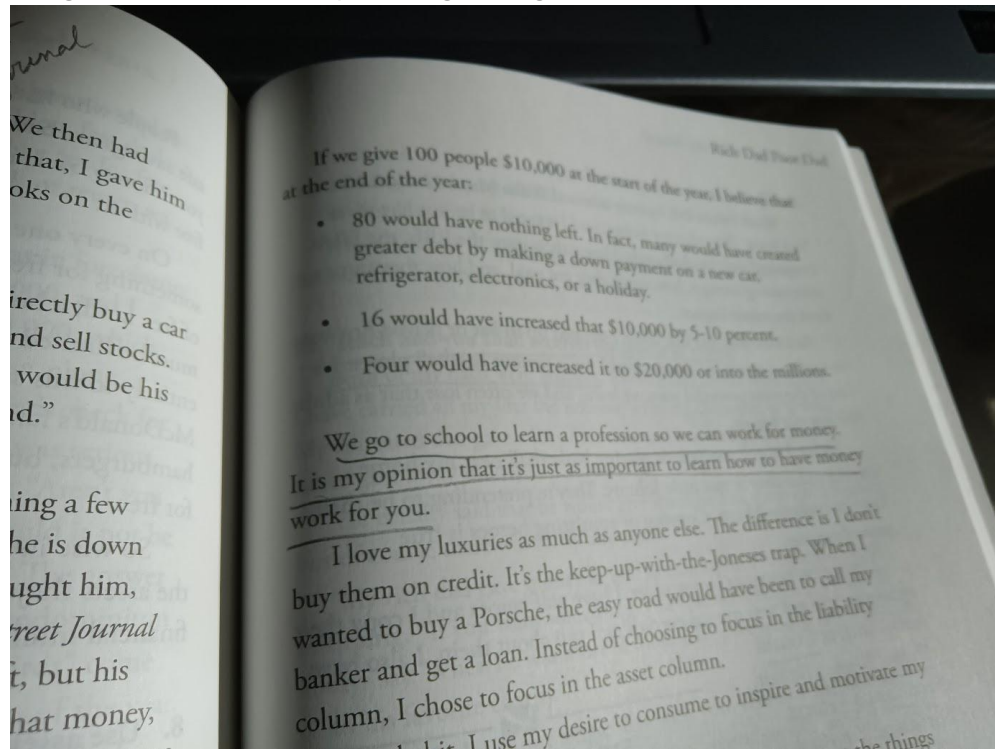
### • **8. Getting started**

- We are educated to believe that the love of money is the root of all evil
- As such – we avoid learning about financial intelligence – keeps us down
- Rabbi Lapkin – Though Shalt Prosper.
- Its actually easier to (go to school,) find a job and work for money than it is to build your own business
- Ten step method:
  1. Find a reason greater than your current reality – the power of Spirit
  2. Make daily good choices
    - We have the power to choose our future
    - We can be rich, poor or middle class
    - Usually the poor have poor spending habits
    - We need to learn how to acquire assets, (real earning assets)

- For 90% of the people being rich as too much of a hassle (Im still young, Ill never be rich, I don't have to worry etc)
  - Invest in education – its YOU, Inc,
3. Choose friends and a tribe carefully
    - There is always another wave to catch
    - You want rich friends – the power is in the information
  4. Master a formula and learn a new one- **THE POWER OF LEARNING QUICKLY**
    - **You are what you eat. You become what you study**
  5. **Pay yourself first** (a violation of Ramseys rule but if done right it works Ramsey good for people that are bad with their money bad for people that are good with their money)
    - A business needs: Cash flow, people and personal time.



6. Get good advice even if expensive get the good counsel



Be a lender not a giver (get your money back (when will I get it back?))

7. Use ASSETS (ASSETS INCOME) to buy luxuries
  - We go to school to learn how to make money – but we have to find other ways to learn how to have money work for you.
8. Choose your heroes – read up on those who succeeded
9. Teach and you shall receive
  - If a person is wealthy – they have provided something other people wanted
  -

- **Chapter 9: More to dos:**

- What is working for you? What is not working for you? Self asses – Stop doing what you are doing
- Look for new ideas
- Find someone who has done what you want to do (tax liens – county government)
- Take classes, read and attend seminars
- Write lots of (offers business cases plans etc.)
- Real estate – scope out the area competition trends etc.
- Shop for bargains, Look in the right places, real estate (find buyers and then sellers), learn from history
- Action always beats inaction!
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Extra groovy pics to align with Ramsey:

No. / / Date / / /

Rich MAN vs Poor MAN

BS 1

INCOME

EXPENSES

no assets  
no liabilities

Middle class = income / expenses

BS 1/2/3

1-3 build emergency (non earning assets)  
2- eliminate debt

ASSETS	LIABILITIES
NON PERFORMING house car etc	CHARGING COST mortgage int maintenance insurance utilities
PERFORMING φ	

Alignment

non performing asset = a liability with φ expense its just "liability"

+ BS 1 \$1000  
+ BS 2 3-6 months  
"non performing"

BS 2 IN = OUT

ASSET INCOME IS 4

Assets	Asset income BS 4
ROTH 401K MATCH IRA	from assets but

Income ≤ E

ASSETS + INCOME + 4

pay off mortgage BS 6  
E is less  
but still Income ≤ E

Asset Income BS 7

EXPENSES you

No. / / Date / / /

BS 4

INCOME

EXPENSES

assets

liabilities

investments

final