

Rich Dad, Poor Dad

Robert Kiyosaki and Sharon Lechter, ©1997

This is the first book in the series that launched American Robert Kiyosaki to the top of the wealth writing, speaking and how to teach your kids about money (game) circuit

- Spent 238 weeks on the NY Times best seller list

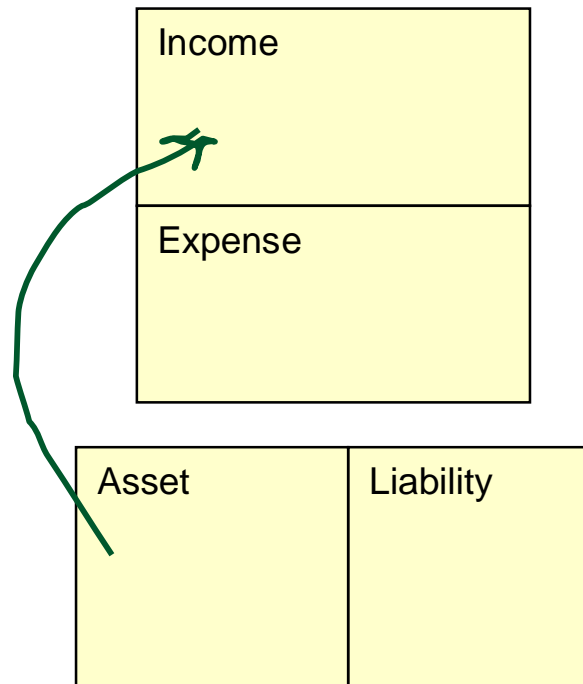
It makes frequent use of a simple but powerful “expense:income, asset:liability” money flow framework to explain wealth creation or lack of it (*see next page*)

- Wealth is created by buying assets with surplus income (for employees) or by using the rewards from entrepreneurial effort (their preference)

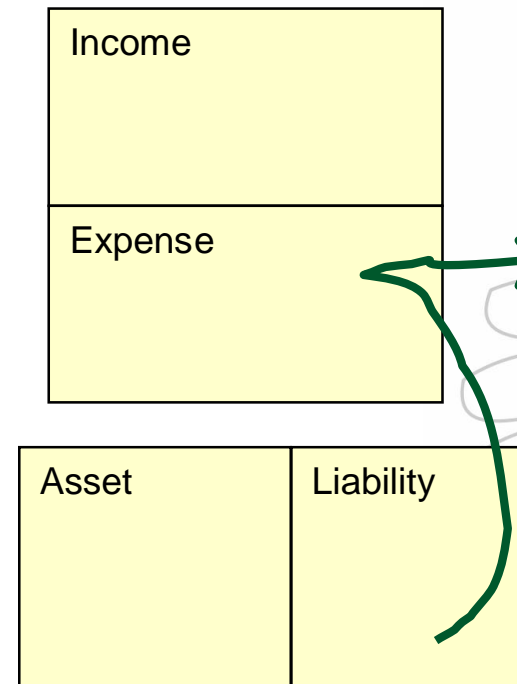
It contains a few new concepts and reinforces other proven ones, including:

- Your house is a liability not an asset
- Work to learn and not for money (for many lower income workers, greatest wealth is created from owning a business, not working in a business or being self-employed)
- ‘Choose friends carefully’ to learn and stay motivated
- Pay yourself first – self discipline is the #1 delineating factor between rich and poor
- ‘Pay your brokers well’ – good advice should make you money
- Profit in a deal requires a “bargain and a change” - profit is made on the ‘buy’ not ‘sale’
- Use your desire to consume to inspire and motivate your financial genius - buy your Porsche from your asset column [profits] not from your liability column [loan]

Cash flow pattern of an asset and liability ...



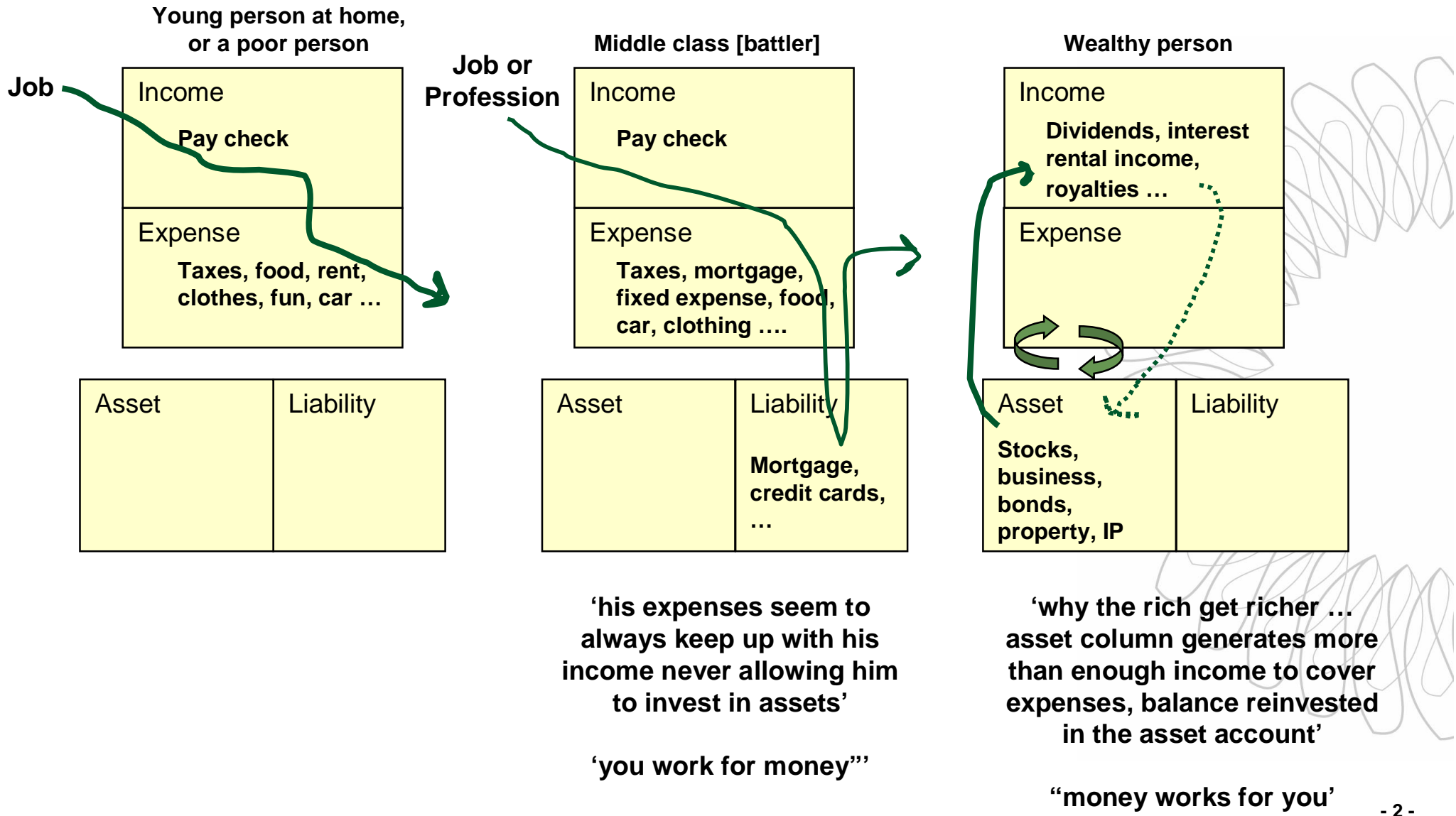
'an asset is something that puts money in your pocket'



'a liability is something that takes money from your pocket'

'if you want to be rich, simply spend your life buying assets'

... and of a ...



Your home is your asset?

'Poor Dad's view'

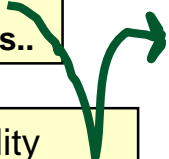
Income
Expense

Asset	Liability
Home?	

'Rich Dad's view'

Income
Expense Mortgage, stamp duty, rates, insurance, maintenance, utilities..

Asset	Liability
	Home !



'End result of making a decision to own a house that is too expensive, in lieu of starting an investment portfolio early on, impacts an individual three ways'.

- 1) Lose time assets can grow in value [compound]
- 2) [Less capital to invest] from paying higher expenses
- 3) Loss of investment education experience"

'Today, I am still challenged by the idea of a house not being an asset ... owning your home is better than nothing ... I simply offer an alternate way of looking at this popular dogma. My wife and I would love a bigger home, but we know it is not an asset if it takes money out of our pocket'.

About Professional Wealth and these summaries

About Professional Wealth

We are an independent personal wealth advisory business serving clients in Sydney and Melbourne

Our focus is on individuals in professional service, executives and small business owners

We strive to set a new level of professionalism, by

- providing unbiased high quality advice
- being free to recommend a broad range of investment and insurance solutions
- being remunerated only by our clients, refusing all commissions and rebates
- making education an important part of our offer

About our Executive Summaries

We regularly review interesting writing on wealth topics that we think our clients will find useful

Our summaries are of the authors' views and not ours, though they often align with our beliefs

These should not be considered personal advice as your needs and circumstances will vary

Please contact us or your personal advisor to explore further how you can *Make Work Optional*™

If you have received this from a friend and would like to receive future summaries directly, please send us your email address

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Visit www.richdad.com or buy the book to learn more

The screenshot shows the Rich Dad website interface. At the top, there is a navigation bar with links: HOME, ABOUT RICH DAD, START THE JOURNEY, OUR COMMUNITY, RICH DAD'S TOOLS, and NEWS & INFO. Below this is a purple banner with the Rich Dad logo and the tagline "Your Journey to Financial Freedom". A central banner features the book "Rich Dad Poor Dad" and a "2" icon, with a dropdown menu listing: "Who is Rich Dad's Community", "Discussion Forums", "Rich Dad Clubs", "Join INSIDERS", "INSIDERS Access", and "Affiliate Program". To the right of this banner is a "ON THE N.Y. TIMES MILLERS LIST" badge and a "Buy the book" link, with "STORE" and "LOG IN" buttons below.

On the left side, there is a sidebar with "Store Home" and "Basket" links, followed by "CATEGORIES" (Books, Games, Audio, Packages) and "CUSTOMER SERVICE" (Profile, Orders). A yellow circular badge says "INSIDERS Save 10% CLICK TO LEARN MORE...". At the bottom left, "Our International Sites" includes "Australia".

The main content area is divided into four sections:

- Books:** "A library of ideas and reference that is useful from day one...". A list of "What the community is reading..." includes: Rich Dad Poor Dad, OPM - Other People's Money, The ABC's of Real Estate Investing, The ABC's of Building a Business Team That Wins, and Retire Young Retire Rich.
- Games:** "Why play games? It's the best way to learn, and it's FUN!". Lists: CASHFLOW® 101 Board Game, CASHFLOW® 202 Board Game, and CASHFLOW® for Kids™ Board Game. Includes an image of the CASHFLOW board game boxes and text: "Play alone or with others on-line* with CASHFLOW® 101 the E-Game and CASHFLOW® 202 the E-Game." A note says: "*Requires INSIDER membership. Click HERE for details."
- Audio:** "The best of the Rich Dad library in CD and Cassette formats." Includes an image of audio products.
- Packages:** "Get a jump start on your Rich Dad library with these values." Lists: Graduation Pack, The ULTIMATE Pack, The First Four Books in the Bestselling Series Pack, and CASHFLOW® for Kids Pack.