Rich dad poor dad

by Robert T. Kiyosaki · Language: EN

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Overview

Rich Dad Poor Dad by Robert T. Kiyosaki is a personal finance book that challenges conventional wisdom about money and investing. It tells the story of Kiyosaki's two fathers: his 'poor dad' (his biological father), a highly educated man who struggled financially, and his 'rich dad' (the father of his best friend), an eighth-grade dropout who became one of the wealthiest men in Hawaii. The book contrasts their differing philosophies on money, work, and life, arguing that traditional schooling prepares people for the 'rat race' of working for money, rather than teaching them how to make money work for them.

Kiyosaki advocates for financial literacy, emphasizing the importance of understanding assets versus liabilities, the power of corporations, and the value of investing in income-generating assets like real estate and businesses. He argues that the rich acquire assets, while the middle class acquires liabilities they think are assets. The book encourages readers to take control of their financial future by educating themselves, taking calculated risks, and developing an entrepreneurial mindset, rather than solely relying on a paycheck or job security. It aims to shift readers' perspectives on wealth creation and financial independence.

Key Takeaways

- Understand the fundamental difference between an asset (something that puts money in your pocket) and a liability (something that takes money out of your pocket).
- The rich don't work for money; instead, they learn how to make money work for them through smart investments and asset acquisition.
- Prioritize financial education over traditional academic education to gain true financial intelligence.
- Focus on building your 'asset column' by acquiring income-generating assets, rather than just working for a salary.
- Learn about taxes and the legal advantages available to corporations and investors.
- Overcome common financial obstacles like fear, cynicism, laziness, bad habits, and arrogance to achieve financial success.
- Work to learn new skills and gain experience, not just for the paycheck.
- Pay yourself first by setting aside money for investments before paying bills or discretionary expenses.

Chapter Summaries

Introduction: Rich Dad Poor Dad

Kiyosaki introduces his two influential fathers: his highly educated but financially struggling 'poor dad' and his uneducated but wealthy 'rich dad.' He explains that their contrasting advice on money shaped his understanding of wealth and financial independence, setting the stage for the lessons to follow. The chapter highlights the importance of choosing which financial philosophy to follow.

Lesson 1: The Rich Don't Work for Money

This lesson explains how the poor and middle class work for money, while the rich make money work for them. Kiyosaki recounts his childhood experience working for his rich dad for a meager wage, learning that the 'rat race' traps people who prioritize job security over financial education and asset building. He emphasizes the need to break free from this cycle.

Lesson 2: Why Teach Financial Literacy?

Kiyosaki argues that traditional schools fail to teach financial literacy, leaving most people unprepared for real-world money management. He defines assets as things that put money in your pocket and liabilities as things that take money out. The core message is to acquire assets, not liabilities, to build wealth and achieve financial freedom.

Lesson 3: Mind Your Own Business

This chapter stresses the importance of building your own asset column, distinct from your profession or job. While you might be an employee, you should also be an owner of assets that generate income, such as real estate, stocks, or businesses. Kiyosaki advises focusing on building and protecting your assets.

Lesson 4: The History of Taxes and the Power of Corporations

Kiyosaki delves into the history of taxes, explaining how they were initially levied on the rich but eventually shifted to the middle class. He highlights how the rich use corporations, not to avoid taxes illegally, but to legally defer and reduce them, offering significant financial advantages that the average employee does not have.

Lesson 5: The Rich Invent Money

This lesson emphasizes that financial intelligence allows individuals to create money. It's not about working harder, but about thinking smarter and identifying opportunities. Kiyosaki encourages developing creativity, financial knowledge, and the courage to take calculated risks to generate wealth.

Lesson 6: Work to Learn—Don't Work for Money

Kiyosaki advises seeking jobs for what you can learn, not just for the salary. He suggests acquiring diverse skills in areas like sales, marketing, communication, and accounting. These skills, rather than a single profession, contribute to overall financial intelligence and entrepreneurial success.

Overcoming Obstacles

This chapter addresses five main obstacles to financial success: fear, cynicism, laziness, bad habits, and arrogance. Kiyosaki provides strategies for overcoming each, such as taking action despite fear, learning from mistakes, and continuously educating oneself to stay ahead.

Getting Started

Kiyosaki offers practical steps for readers to begin their journey to financial freedom. These include finding strong reasons to be rich, making daily choices to learn, choosing friends wisely, paying yourself first, paying your brokers well, and teaching others to accelerate your own learning and wealth accumulation.

Themes

- Financial literacy
- Asset building
- Entrepreneurial mindset
- Passive income
- Financial independence

Notable Quotes

- "The single most powerful asset we all have is our mind. If it is trained well, it can create enormous wealth in what seems to be an instant." — Kiyosaki emphasizes the importance of financial education and mental conditioning over traditional work for money.
- "An asset puts money in your pocket. A liability takes money out of your pocket." — This is the core definition Kiyosaki uses to distinguish between assets and liabilities, a central theme of the book.
- "The rich acquire assets. The poor and middle class acquire liabilities that they think are assets." — This quote encapsulates the fundamental difference in financial strategies between the wealthy and other economic classes.
- "It's not how much money you make, but how much money you keep, how hard it works for you, and how many generations you keep it for." — Kiyosaki highlights that true wealth is about financial management, asset growth, and long-term legacy, not just income level.

- "The primary difference between a rich person and a poor person is how they manage fear." — Kiyosaki explains that fear of losing money often prevents people from taking necessary financial risks or making smart investments.
- "The poor and the middle class work for money. The rich have money work for them." — This quote summarizes the core lesson of the book regarding the different approaches to wealth creation.
- "Financial struggle is often the direct result of people working all their lives for someone else." — Kiyosaki criticizes the traditional path of employment without building personal assets, leading to perpetual financial dependence.

Frequently Asked Questions

What is Rich dad poor dad about?

Rich Dad Poor Dad is about the contrasting financial philosophies of Robert Kiyosaki's two 'dads'—his highly educated biological father and his wealthy best friend's father. It advocates for financial literacy, investing in assets, and developing an entrepreneurial mindset to achieve financial independence, challenging the traditional advice of getting a good job and saving money.

Is Rich dad poor dad worth reading?

Yes, Rich Dad Poor Dad is widely considered worth reading for its ability to shift perspectives on money and wealth. It introduces fundamental concepts like assets vs. liabilities and the importance of financial education, which can be eye-opening for many readers, especially those new to personal finance. It provides a strong foundational mindset for wealth building.

Who should read Rich dad poor dad?

Rich Dad Poor Dad is ideal for anyone interested in personal finance, investing, and entrepreneurship. It's particularly beneficial for young adults, students, or individuals feeling stuck in the 'rat race' who are looking for alternative perspectives on how to build wealth and achieve financial freedom beyond traditional employment.

How long does it take to read Rich dad poor dad?

On average, it takes approximately 3 to 4 hours to read Rich Dad Poor Dad. This estimate is based on an average reading speed of 250 words per minute and the book's typical length of around 200-250 pages, which translates to roughly 50,000 to 60,000 words.

How does Rich dad poor dad end?

Spoiler: The book concludes by encouraging readers to take action and apply the lessons learned. Kiyosaki provides practical steps for getting started, such as finding a strong reason to be rich, making daily choices to learn, choosing friends wisely, paying yourself first, and teaching others. It emphasizes continuous learning and overcoming common obstacles to achieve financial success.