

Rich Dad Poor Dad

By: Robert T Kiyosaki

Book Review



Book starts with a story of a young boy, Robert and his friend Mike.



Robert's father works for government as a teacher, he is very well educated and holds a PhD in his subject.



Mike's father did not even pass 8th grade. He turns into a professional investor.

Book makes contrasting
comparisons of thoughts of the
two fathers.

Robert's Father

Is a typical employee:

- Works for 8 hrs a day.
- Complains about his salary.
- Manages to lead his middle class life with debt of his car and house.

Mike's Father

- Does not work for money, instead makes his money work for him.
- Does not get any salary, instead pays his employees salary.
- Turns into one of the richest man in Hawaii.

Book gets its name after the two dads; Rich Dad Poor Dad

- No. 1 Personal Finance book of all times.
- Lists down the seven principles that his Rich Dad gave him that every rich person uses to make his fortune.

Rule #1: Rich don't work for money

The Poor and middle class spend their life
working for money.

Rich make their money work for them.

Rule #2: Learn Financial Literacy

- Financial literacy is knowledge of how money works.
- Rich earn to acquire assets, while poor and middle class acquire liabilities throughout their life.
- There is lot to learn in this chapter but keeping it short rich hone their financial knowledge instead of their academic knowledge.

Rule #3: Mind your own business

What every one else focuses is their income statement, while rich focus on their asset columns.

No matter how much a person earns, until he knows how to spend money he will never have enough.

Rule #4: Taxes and power of corporate

One of the interesting statistics given about taxes:

- How much do you think billionaire Donald trump paid in taxes when he was not president ?

Answer is **Zero** dollars

He did not evade any of the taxes, he just played the game smartly.

Same rule applies to rich people.

Rule #5: Rich invent money

- These inventors are these days called entrepreneurs
- There are endless opportunities that have been lying for someone to pick them up.
- Technology has facilitated invention of money like never before.

Rule#6: Working to learn, not for money

- Working for money is just a trap between greed and fear, no one has ever become rich while working for money.
- Working to learn opens up mind to figure out ways to become rich.

Rule #7: Overcoming obstacles

- If anyone says becoming rich is easy, then either he is poor or is lying. It is going to take hell out of you.
- Your purpose to become rich has to be greater than the obstacles you face.

Target Audience

- People who seek to get basic knowledge of financial literacy.
- People who are curious to know how rich people made their way get rich.
- Random book readers.

Thanks

Reviewer: Arihant