

Rich Dad Poor Dad is a book written by Robert Kiyosaki and Sharon Lechter in 1997. In its pages, Kiyosaki and Lechter described the mentalities between two paths to wealth accumulation and why you should strive to become more like the “rich dad” instead of the “poor dad”.

A 3 Minute Summary of the 15 Core Lessons

#1 Rich Dad and Poor Dad Mentalities

The book’s primary ideas explore the contrasting mentalities of the two titular fathers. In this allegorical story, the Rich Dad is Kiyosaki’s biological father who was a college professor. The Poor Dad was the father of his best friend and who owned dozens of his own businesses. Both “dads” have contrasting advice for those looking to earn and save money.

#2 The Poor Dad Mindset

The Poor Dad in this story believes that the key to accumulating wealth lies in finding a stable job and also largely depends on your family and their financial background. Reading about and learning from other successful people are critical to accumulating wealth from this perspective. However, the major pitfall is that people following this mindset will work a job they do not love, lessening their quality of life.

#3 The Rich Dad Mindset

On the flip side, the Rich Dad mindset advises any to listen to get a job that teaches valuable skills. Being an entrepreneur and accumulating experience and learning which you can then transition into new job opportunities is much more valuable. Multiple income streams are key. In addition, this mindset emphasizes owning your own business for financial security.

#4 Assets are Better than Liabilities

Kiyosaki points out that the rich typically buy assets once they’ve accumulated enough wealth. These are things like homes or bonds: both of which can potentially earn you money if you resell or rent them. Liabilities are distinguished as things that lose their value over time, like most products and anything trendy. Rich people largely stay rich because they avoid unnecessary liabilities.

#5 Experience Teaches Financial Literacy

In keeping with the Rich Dad mindset, Kiyosaki advises that gathering experience from a multitude of fields and skills is necessary to become financially literate and successful. Accounting, the law, investing, and markets are all valuable spheres that anyone looking to secure their financial future should become well-versed in. Having jobs that teach you these skills are even more valuable.

#6 Learn to Sell

In a capitalist economy, being able to sell your product, no matter what it is, is critical to success. Even if you are an artist, Kiyosaki stresses that you must be able to sell your

products or your services or you will not be successful. Taking sales courses or otherwise training this skill are both valid avenues to becoming a better salesperson.

#7 Focus on Opportunities

Rather than spending time ruminating on the walls or barriers in your way, you should instead look at anything you want or any obstacle you want to overcome and figure out how to achieve those goals. Searching for answers to solve your problems, or turning those problems into opportunities, is a much better mindset for any entrepreneur and for general day-to-day issues as well.

#8 Fear and Self-Doubt Should Not Be Heeded

While overconfidence can be detrimental to your overall progress, there's a difference between a healthy respect for risk and outright fear. The Poor Dad, writes Kiyosaki, will be paralyzed from self-doubt and terror and never take a successful risking his life. Being bold creates opportunities that will either lead to future success or valuable experience you can bring to bear on new ventures.

#9 Fear is What Stops You

Most people are already trapped in the mindset of Poor Dad. That's because the fear of the consequences of failure stops most people from leaving the rat race and working hard at a job they despise just for monetary gain. This fear can then become a cycle, especially as you get older and start to feel more trapped in terms of your personal opportunities or familial obligations.

#10 Greed is Terrible

Next to fear, greed is just as bad. Greed is what causes people to make short-term investments or purchases, buying up liabilities instead of assets. You must learn to calm your greed and control it so that you don't waste money and spend it on things that won't eventually return wealth to your pocket. The key to overcoming your greed is largely through financial knowledge and literacy.

#11 Persist in the Face of Adversity

No matter how fortunate you are and how skilled you might be, you'll eventually find setbacks in your way to success. You must persist through these adversities and keep your eye on your ultimate goals; don't let fear arrest your momentum and bring you back to where you were before.

#12 Education is More Valuable than Money

Kiyosaki himself states that gathering experience and education are vastly more important than cash. That's because these mental assets can help you earn more money in the long run and will lead to self-fulfillment. Always invest in opportunities for self-improvement when you can.

#13 Beware of Arrogance

As you find success and accumulate wealth, you might be tempted to become arrogant and stop learning or paying attention to the signs of poor risks. You must always be

vigilant and prevent yourself from becoming arrogant or ignorant. Arrogant businesspeople can easily find their wealth sapped away and themselves returning to a

#14 Poor Dad mindset.

Buy Luxuries Last, Not First

You should always save off rewards or luxuries until after you have purchased any assets that can be used to bolster your business or generate more wealth for your pocket. This not only circumvents greed, but it also helps you compound your successes into easier future wealth accumulation.

#15 You Will Lose Money

If you're investing properly and taking the right risks, you will eventually lose some money. The key is to not be afraid of this eventuality but to take the experience you receive as a result and use it to lose less or no money next time. Turn all negative experiences into a learning opportunity and you'll go far.

Top 10 Quotes from Rich Dad Poor Dad

1. "I'd rather welcome change than cling to the past."
2. "The love of money is the root of all evil. The lack of money is the root of all evil."
3. "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."
4. "If you realize that you're the problem, then you can change yourself, learn something and grow wiser. Don't blame other people for your problems."
5. "Workers work hard enough to not be fired, and owners pay just enough so that workers won't quit."
6. "To know a little about a lot."
7. "Excessive fear and self-doubt that were the greatest detractors of personal genius."
8. "Learn to use your emotions to think, not think with your emotions."
9. "Most people fail to realize that in life, it's not how much money you make, it's how much money you keep."
10. "If fear is too strong, the genius is suppressed."