Robert Kiyosaki refers to two fathers, his father is poor as he went to school, earned good grades, obtained his PhD and after various years of service, retired due to differences with Government. Second father, his friend’s father is a rich father who is a businessman. This book is based on advices given by the ‘rich’ father to the author.

Six Secrets of Rich

1. Rich don’t work for Money
2. Learn financial literacy
3. Mind your own business
4. The History of taxes and power of corporations
5. Rich Invest Money
6. Work to Learn – Don’t work for money!!!

SECRET 1: RICH DON’T WORK FOR MONEY

People quit jobs because jobs don’t pay well. Rich work (in jobs) to learn and not for money. Rich dad got his own son and the author to work for a very small pay in a retail store. At one time, due to small pay, both boys were ready to quit the job and Rich father told them that this is exactly why people quite job and a prospective businessman don’t. Rich Dad’s lesson: Learn the business where you do your job so that you can start your own business later. As a result of this thinking, both boys took thought about business and reviewed the available resource base. They started a comic book library, renting books and earning more money than their job of retail store.

SECRET 2: LEARN FINANCIAL LITERACY

Most people buy a house at mortgage and consider it to be an asset. However, in businessman’s vocabulary, it’s actually a liability because the house is not earning anything. The house is eating up resources of the person who has bought it on mortgage.

In school, people are taught to earn good grades, get good jobs and be good employees. Generally, financial literacy component is not taught. Therefore, people with job generally struggle to meet their day to day expenses, middle class purchase liabilities considering it to be an asset (e.g. a house bought on mortgage or a car on lease!) while rich people construct a sound asset base which generates income for purchase of other assets.

Rich dad taught author to buy house once there is another asset which generates enough cash flow to enable the person buy a house. What are the assets of rich people? Those include: Real Estate, apartments generating rents and businesses being managed by managers and generating cash. A person can start with stocks, bond and mutual funds but these are not at all a substitute of a business which generates cash flows. Rich Dad’ lesson: Learn the difference between an asset and a liability and think how to create income generating assets.
SECRET 3: MIND YOUR OWN BUSINESS

**Rich Dad’s lesson: Along with your day job, start some business side by side.** Don’t spend all your salary. Save some amount on a monthly basis and think about an idea which can be turned to profitable business later. Business of Mc Donald’s owner is not selling ham burgers but to have real estate. If ham burgers don’t sell, there is enough property to be sold, if required.

SECRET 4: THE HISTORY OF TAXES AND CORPORATIONS

Salaried people earn their salary, pay taxes and then spend from whatever amount is left. Rich people earn, their companies pay all their expenses including taxes and then they have enough amounts to spend, as all their expenses are paid before paying any tax.

Author advises to talk to businessmen and investment bankers to learn businesses. Reading and understanding of financial statements is a must to understand how a business operates. **Rich dad’s lesson: how rich people protect themselves from heavy taxes? Their secret: Corporations!**

SECRET 5: THE RICH INVEST MONEY

A person can invest money either through experts i.e. investment bankers, stock brokers etc or can go for self created investment by identifying an opportunity, raising capital and finding expert people to manage the business. **Rich Dad’s lesson: Learn how to manage risk. An Investment is not risky. Not knowing how to manage an investment is risky**

SECRET 6: WORK TO LEARN AND NOT FOR MONEY

One should learn to manage cash flows, systems and people. Continuous learning is the key. Learn how to sell.

**Rich dad’s lesson - What to do? Action plan**

- **Assess your present situation:** If you keep on doing what you are doing since quite some time, you will get the same results what you are getting. To get new results, do some thing different.
- **Try to find some new idea** – how will you create and income generating asset?
- **Take action,** after finding new some new idea. Practical tip: Find Mentor. Try to find some person who has achieved what you want to achieve. Ask tips from him / her.
- **Try to invest** in real estate when market is down. Make offers. Don’t sit and wait for opportunity to come.
- **Learn from lessons of successful people.**

**ACT, MANAGE RISK, THINK BIG, THINK BUSINESS, DON’T BE AFRAID TO TRY & FAIL**