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Book Review – Rich Dad’s Cashflow Quadrant by Robert Kiyosaki.

This is the second of the 3 books I have read by Mr. Kiyosaki. For whatever reason, I read the first one (Rich Dad Poor Dad) and then the third one (Rich Dad’s Guide to Investing) before reading this one. I want to encourage you to read them in order. Links for the 3 books are:

Rich Dad Poor Dad:

https://smile.amazon.com/Rich-Dad-Poor-Anniversary-Middle/dp/B07QPQ8WBL/ref=sr_1_1?crd=2W1SMZ89PD7XG&keywords=rich+dad+poor+dad+book&qid=1657075427&srefix=%2Caps%2C112&sr=8-1

Rich Dad’s CashFlow Quadrant

https://smile.amazon.com/Rich-Dads-CASHFLOW-Quadrant-Financial/dp/1612680054/ref=sxin_15_mbs_w_global_sims?content-id=amzn1.sym.167d0880-9da0-400b-938e-4382731a4102%3Aamzn1.sym.167d0880-9da0-400b-938e-4382731a4102&crd=9CQSU5C18Y8G&cv_ct_cx=rich+dad+poor+dad&keywords=rich+dad+poor+dad&pd_rd_i=1612680054&pd_rd_r=2438690c-4904-4006-8df2-abae2ec17921&pd_rd_w=rZRFt&pd_rd_wg=jxduQ&pf_rd_p=167d0880-9da0-400b-938e-

[4382731a4102&pf_rd_r=VYZK2R5GGTC8ZEBDP2DG&qid=1657075629&s=books&srefix=%2Cstripbooks%2C226&sr=1-1-9e7645f9-2d19-4bff-863e-f6cde50f990](https://www.amazon.com/dp/B000APR000?pf_rd_r=VYZK2R5GGTC8ZEBDP2DG&qid=1657075629&s=books&srefix=%2Cstripbooks%2C226&sr=1-1-9e7645f9-2d19-4bff-863e-f6cde50f990)

Rich Dad's Guide to Investing makes a lot of sense. Buy Here:
<https://www.amazon.com/Rich-Dads-Guide-Investing-Invest/dp/1612680208>

I suggest you try to read them in order starting with Rich Dad Poor Dad.

The Cashflow Quadrant is a bit difficult to grasp initially, but the longer Mr. Kiyosaki explains it, the easier it gets to understand. The three books work together to give you sensible investing information. It honestly is even greater than just investing advice. He urges you to think a bit outside of the box and gain an education beyond what normal education can give you.

Robert Kiyosaki had two dads. The first was a highly educated man who was the poor dad. His rich dad had little education, but great street smarts and taught him that to get good grades in college and get a lifetime high paying job with good benefits is not the way to wealth. You have to work 45 to 55 years and you at best have minimal investments. Using the Rich Dad's Cashflow Quadrant can allow a person to gain riches in 20 years or less, and then not have to work the rest of your life.

Is it a lock that you will be successful? Of course not. But the basic rules are all found in this book.

CASHFLOW® Quadrant:



20 Things I learned from Rich Dad's Cashflow Quadrant:

1. The Cashflow Quadrant is made up of 4 quadrants. See above image. On the left, you have the E and S quadrants. These are employees

and Self Employed people. The right side is the B and I quadrants, where the real money is made. B is for big business (over 500 employees) and I is for Investors.

2. The people in E/S quadrants have very few tax advantages. Those in the B bracket have huge tax breaks as they acquire assets. The 4 quadrants are not equal in any way. The B and I quadrants allow you to put more money to work with Pre-tax money. Also, the business can depreciate the asset and other people can make your payments. (IE: Rentals where the renter pays the bank for your loan while you accrue higher value over time in the asset.)
3. Different people fit into the various quadrants. If your mindset is strictly security, you may never get outside the E quadrant.
4. Successful B quadrant people hire smart people to run the business. Over time, you can step down from leadership and the company sustains itself with money continually coming in as passive income.
5. An example of a hard-working businessman was Henry Ford. He hired great people to work for him. Quote: "Thinking is the hardest work there is. That is why few people engage in it." His workers could answer questions that Ford himself could not.
6. A successful B Quadrant person must take control of business systems and be a great leader with much self-confidence. The system is your bridge to ultimate freedom.
7. Rich Dad pointed out to Robert that he might have to fail 2 or 3 times in business before he became successful. Success is a poor teacher, but we learn a LOT when we fail.
8. Of the levels of investing types, the Level 5 Capitalist is the one where the richest people of the world attain. They learn and many times use OPM (Other people's money) to finance their investments.
9. Rich Dad taught me that ROI is more than Return on Investment, but a Return on Information you have learned. You can never learn too much and it is a constant struggle to stay up on business and tax laws.

10. To be effective in the B/I Quadrants, a person must understand what real risk is and develop a system to minimize risk. This takes time and effort.
11. We must always continue to learn. Mark Twain once said, “I never let schooling interfere with my education.” Successful people seek training in other places than schools such as through books, seminars, and online classes.
12. The Cashflow Quadrant is all about being, not just doing. How we think about winning and losing is so important. Losses are inevitable, and we must learn from the losses. How we think is truly how we will be. Emotional intelligence can be controlled.
13. To move to the right side of the quadrant, we must control our emotions and think in more technical terms. Be the bank, not the banker. Learn to control assets which is so very important.
14. In life, there is a continual transfer of wealth so we have to be ready for change.
15. In Cashflow Quadrant, many books are listed as good ones for us to read including “The Worldly Philosophers” by Robert Heilbroner and “Wealth of Nations” by Adam Smith.
16. A journey of a thousand miles begins with one little baby step. We must go slow initially to be successful in the Investing Quadrant.
17. To get in a good place to invest, Robert lists several key things to do. Pay Yourself First, Snowball any Debt you have, don't use over 2 credit cards, and pay them off fully each month. When debt is fully paid, then use your snowball to invest.
18. Know the type of investor you are, and learn to solve problems to find your fast track.
19. To grow and be effective, get mentors to help you.

20. Make your disappoints your strengths.

Mind your own business, take control of your cash flow, know the difference between risk and risky, and know which type of investor you are.

- **To grow and be effective, get mentors to help you.**
- **Make your disappoints your strengths.**

In conclusion, Mr. Kiyosaki encourages us to learn from our mistakes and don't think we won't fail sometimes. Be kind to yourself and speak positive thoughts to yourself. Don't allow negative thoughts to be spoken in your mind. He points out that money will not stay with people who don't believe in themselves. Your words are a mirror to the soul. Stay positive and be aware of what is coming your way. Believe in yourself and start small. But do start. There is a lot to learn and it is a lifelong process.

I urge you to read all 3 of the Rich Dad Poor Dad books. I now question everything and do my best to make plans and stick to those plans, good market or bad market notwithstanding.

List of All Investment Articles

<https://lifecanbesimple.net/investments.html>

List of all Minimalism Articles

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Internet Direct Laptops – www.ebay.com/str/internetdirectlaptops

