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Unfair Advantage – Robert Kiyosaki

DISCLAIMER - I am not a Financial Advisor and do not work for any Brokerage Firm. The opinions given are of my own and are not to be used as professional advice. These are my findings and can hopefully help you to make informed decisions on investing. Consult a Broker or Lawyer before making any investment.

[Unfair Advantage by Robert Kiyosaki](#) is one of the best books I have read this year. It is the fourth one I have read in the Rich Dad Poor Dad series. If you have not read any of the earlier books, I would definitely recommend reading [Rich Dad Poor Dad](#) and [The Cashflow Quadrant](#) before reading this book as he refers back to the first two several times. They seem to build on one another.

The premise of this book is that without a rich person's mindset we will never gain that 'Unfair Advantage' being taught in this book. The rich

understand to make huge amounts of passive income, we must acquire assets. To fully grasp this, we must understand the Cash Flow Quadrant:

CASHFLOW® Quadrant:



A quick review of the Cashflow Quadrant is in order. Everyone who makes money is in at least one of the four quadrants. The Left side of the quadrant is made up of people working for their money. The “E” quadrant is made up by employees working for a wage. The Bottom Left “S” quadrant is made up of mainly self-employed people such as professionals, doctors, lawyers and small business owners. (Most are sole proprietorships.)

The Rich makes most of their money on the right side of the Quadrants. The “B” quadrant is made up of large businesses. (Over 500 employees which normally are businesses being run as corporations or LLC – Limited Liability Corporations.) The B Quadrant allows for profits without the input of the owner. (This happens over time. The owner typically is a leader in the business early on.) The biggest money is made in the “I” quadrant. These are the Investors which are professional Level 4 investors. These are the rich investors who typically pay no income tax by using the tax laws to their advantage.

What I learned from Unfair Advantage:

This book teaches you what your schools and college never taught you. We learn from Mr. Kiyosaki how to leverage our money to make huge amounts of passive income. This is all about today's 'Real Life Investing.' His rich dad urged him to be careful who he choose to be his teachers.

The industrial age ended around the year 2000. However, our schools are still teaching the same outdated information that worked back in the Industrial age. Back then, we were taught to get a good college education, go to work for a good company, invest our hard-earned money into a 401-K Retirement fund and retire after 40 or 50 years of work.

What we are not told today is that the size of the 'middle class' has been shrinking year by year since 2000. Jobs that used to be high-paying long-term jobs are now being outsourced to foreign countries to save on labor costs. Job security which used to be a reality is just not there today. We need to learn real-world teaching to know how to navigate the financial world today.

In 1971, President Nixon took America off the gold standard. Nothing backs our money anymore, and we just keep printing more and more money as the national debt climbs into the trillions. We are running up a debt that neither we nor our children will ever be able to pay. By 2010, the dollar has lost 95% of its buying power.

Inflation is rising. In the year 2000, gold cost \$282 an ounce. At the time of the writing of this book in 2010, it was at \$1400 an ounce. Today it is well over \$3,000 an ounce. Think of all the rising costs of housing, fuel, food, transportation, etc. We need a better financial plan to survive.

There is no true accurate financial education in our colleges or high schools today.

ROI has always meant Return on Investment. Rich Dad says that today it means the Return on Information. We must continue to read and learn every day. Grow in our financial education and learn from teachers who understand investments including the stock market and real estate.

Invest in your financial education. Know how to invest and how to not lose money. Turning your retirement money over to mutual fund managers in your 401-K is not safe. They get paid first even when you are losing money on stock market downturns and crashes.

Taxes are not fair.

- The harder you work, the more you pay in taxes.
- The harder your money works for you, the less you pay in taxes.
- The harder “Other People’s Money” works for you, you pay even less tax.

In 1997, Robert Kiyosaki quoted his Rich Dad who said that your home is not an asset. It costs you money for mortgage payments, for Insurance, upkeep, etc. It is a liability. But a property purchased through an LLC (Limited Liability Corporation) is an asset. The renter pays the mortgage for you, and profits come into you. And when you buy the properties, sometimes even the owners themselves will carry the note allowing you to truly make money off of “Other People’s Money”.

The Bible says that “My people perish for lack of knowledge.” Millions today are perishing due to no true financial knowledge to understand the difference in an asset and a liability.

The key in any investment is to minimize loss. Even in the stock market, there are ways to limit loss by using ‘Stop Loss Sales’. Mr. Kiyosaki makes his living from selling books and teaching classes on finances.

You must have CONTROL over your investments.

Mr. Kiyosaki spends a greater portion of a chapter explaining why Capitalism is good and needful. Capitalism is good. True Capitalists only profit when they make life better, often saving consumers time and money.

To end this financial crisis, schools and colleges must change. We as investors must learn “Real Life” investment Information. Understanding tax laws gives us the ability to use our tax to invest. But to do this, you must be trained and understand HOW to do it.

The rich don't work for money. They use their minds to gain information on how to obtain Passive Income. Passive income makes you money without you having to work for it. While you sleep, passive income puts money into your bank account.

When we take part in Rich Dad Financial Education, we become part of the solution to the financial crisis we face in America. And as we learn, it gives us the knowledge to navigate all the changing waters of today's investments. Things change. Tax laws change. We must constantly strive to get more and more information by reading and attending seminars and training. Be sure you know your teacher is wise in the real-life world of investments.

I recommend reading this book and believe everyone who invests can take home a lot of valuable information. We must realize that not everything we learned in school was factual and change with the times. We must continue to read, learn, and grow in accurate knowledge. Be sure the teachers you are listening to are truly trained in 'today's real world' investments. Change yourself, and then you can change the world around you.

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