

Rich Dad Poor Dad *Reflective Book Report*

Rich Dad, Poor Dad by Robert T. Kiyosaki was sold to me for \$1.00 on eBay, plus a couple of dollars more for shipping. After the cost of tuition and text books, I figured it was the best deal. Within the first few pages, it is evident why this is a bestselling book. I soon found myself astonished with what Kiyosaki had to say and read it with a scripture-study-like passion. In it were deep secrets that seemed both intuitive and mind-blowingly new; at least to me, someone with next to no financial expertise. My overall impression was that the book is a valuable, even essential, read for any and all people struggling to make it. It was well written, relatable, controversial and inspiring. Reading these some 300 pages has placed new financial foundations for how I see the world, trumping whatever scanty scaffold I had beforehand. One tasty quality to it was that it was not opaquely or overly political or religious as some personal finance books tend to be. It had a clear educated voice, albeit smug at times.

My study of personal finance has been accelerated and prioritized due to this read. In this class, for example, each assignment now is a key to understanding how money works. I had no idea how much I did not know about money. It is baffling to consider that my plan was to finish school with a high paying degree, increase my spending and perhaps have a number of savings in low risk low-yield accounts. Things like retirement or even getting ahead in this stage of my life was far away from my day to day thinking. *Rich Dad Poor Dad* places the things you have ignored, the fears you have forgotten, the advice you have discredited and the lies you have accepted all up to a mirror. It is shocking, humiliating, motivating and exciting.

As I move forward with my degree in engineering, I must now do so with an added aspiration to grow what Kiyosaki calls my "Financial Intelligence." Not doing so, it has been made apparent, is far too costly to my future. This year I am graduating with my Associates in Science, and decided that this class would help with every day things like choosing a health care plan. I did not anticipate the cannonball of motivation and new perspective that would come my way while reading this book. I now have, as my

prerogative, a long road of future financial literacy classes to take, books to read, and seminars to attend.

“Bean counting classes” or financial education now seems so vital, and is now seen as the great difference between a wealthy future and an average one. You can guess which one appeals to me more. Now I know that it is a choice. That is an empowering thing to know, that one actually has a choice.

That is how this book applies most to my life. Before reading it, I was convinced that my being born into a low-income low-middle class family had basically determined how most of my life is panned out. True, I am getting a Master’s degree in Engineering (hoping to go against that trend) but that is small thinking when seen next to what *Rich Dad Poor Dad* has to say. I not only need to go to school to set myself into a career path that will allow me to spend more, but I need to increase my financial intelligence in order to make proper spending, saving, and investing habits. Above all else, the book has made me desperate to break free of the “rat race,” and Kiyosaki gives where someone like me needs to start.

Some other key insights given from Kiyosaki is the truth that corporations (organizations created just with some legal paperwork, possibly consisting of an individual and some assets like real estate) have the ability to spend as much of their profits as possible on “company expenses” and are then taxed on the remaining amount, not the prior amount. “Expenses” by the way can be a board meeting in Hawaii or an interview at a fancy restaurant, for starters. This is of course different from what the average Joe ends up doing, which is paying taxes first, then living off what is left over. *Rich Dad Poor Dad* also goes into the Psychology of the average Joe and the mistakes made obvious in it. He describes the average family, going into debt to get those must-have items such as cars and TVs. To pay the debt payments, they find a higher paying job. As their income goes up, so does their spending habits. To keep up, they must work harder and beg for a raise or promotion, all the while paying more and more in taxes. This is what he calls the “Rat Race,” where everyone works harder and no one gets ahead. No one gets ahead, except for the people who don’t work for money. They are the people who have money work for them. They are the financially literate.

In a greater sense, Kiyosaki is quick to identify some errors with society that he says need to be improved. First is the idea that getting good grades and doing well in the academic world is the best option for young people so that they can get a secure job. He says that it is completely false and outdated. Next is the idea that only people with higher incomes become rich. It is all in how that money is used, how principles are considered when buying assets or liabilities, creating corporations or going into debt. He also shines light on the problems with thinking of homes just as assets and how most people fail to discern what an asset or liability even is! In his mind, the greatest problems with society or the economy is that most people are not financially literate, and they let their emotions, bad habits or other things rule their financial decisions. He also points to laziness and fear as the main reasons people elect to stay in the “rat race,” even while insisting that it was not their decision. He suggests that financial literacy should be taught more in elementary schools, just as his “rich dad” taught him and his friend in childhood. He also gives advice on how to look at things like growing one’s assets or bond purchasing which go against the public norm. It is the lack of education, fear, false information, poor perspective and bad habits, Kiyosaki says, that are responsible for the growing gap between the haves and the have-nots.

I deeply treasure this read and consider it one of the most life-changing I have ever experienced. I’m recommending it to my friends and family because of the tremendous insights and near simplistic-sounding solutions it gives for the problems we all face. As you can imagine, my fiancée is reading my copy now. Granted, one can’t agree with everything in such a book, but my ability to succeed in a changing economy has been multiplied several times. I’m sure of it.