The question is: “Who doesn’t want to be a millionaire?” “Most everyone wants to get rich. But the problem is only a few are willing to pay the price.”

By age sixty-five, per 100 people:
- 1 was wealthy
- 4 were well off
- 5 were working because they had to
- 54 were living on family or government support
- 36 were dead

What did the top 5 percent who are rich do that the others did not? What was the difference in price the 5 percent paid that the others did not pay?

Forbes magazine defines the rich as individuals with an income of over $1 million a year.

“A high-income job, a big house, nice cars, and lavish vacations do not mean you’re rich. In fact I could mean exactly the opposite. A lavish lifestyle does not mean you’re smart or well educated. It could mean exactly opposite.”

WHAT IS THE PRICE OF BECOMING A MILLIONAIRE?

With any method for attaining great wealth there is a price, and the price is not always measure in money.

The price for sitting around and watching game shows and betting on the lottery is that the vast majority of the viewers will never become rich…and that is a very steep price to pay. There are better ways to become rich, with much better odds, but most people are not willing to pay the price.

Are you too smart or are you stupid enough to believe in this business and go out and to what you’re taught to make it happen.

In my experience, many people are looking for the answers that will make their lives better in some way. The problem is when they find the answer, they don’t like it…just as I don’t like the answer.

The reason most people will never become rich is simply because they don’t like the answers they are getting. And in my opinion, it has little to do with the answer; it is the price that is attached to the answer that the person really does not like. As rich dad said, “Most people want to get rich. They just don’t want to pay the price.”

Success, Wealth, Financial Independence, Health

A _____________person is a person who is willing to do what an un______________person is not willing to do!
WHAT IS THE PRICE OF BEING CHEAP?

People tend to like generous people more than cheap people.

“The price to become rich is different for different people. The only people who think life should be easy are lazy people.”

Just because God gave us talents, it is still up to each of us to develop those talents…and developing those talents is often the price.

MONEY IS THE REWARD FOR PAYING THE PRICE

THE PRICE OF SECURITY

“There is a price for security. For most people, the price of security is personal freedom. And without freedom, many people spend their lives working for money, rather than living out their dreams. To me, to live life without achieving my dreams is much too high a price to pay for security.”

“People who seek security over freedom pay more in taxes. That is why people who have safe, secure jobs pay more in taxes that people who own the business that provides the jobs.”

“Most people are willing to pay the price for security, but they are not willing to pay the price for freedom. That is why most people have only one of the two. They only have one of the other.”

And why do you have both security and freedom? I was willing to pay the price for both security and freedom.

“Most people go through life paying the price for one or the other. We pay a price even if we don’t pay the price. We will all pay a price anyway. We pay a price even if we don’t pay the price.”

“The problem is not the credit cards—it is the lack of financial literacy of the person holding the credit card that is the problem. Getting financially literate is part of the price you need to pay to become rich.”

“I think most people, given the choice, would rather enjoy this life as rich people who enjoyed rich lives…and they can, if they are willing to pay the price.”

Chapter 2 What is the Price of a Mistake?

“My banker never asked me for my report card.” – Rich Dad

One difference between a successful person and an average person is how much criticism they can take. The average person cannot take much criticism and that is why they remain average all their lives. That is why they fail to be leaders. Average people live in fear of what someone else may say or think of them. So they live their lives going along and getting along with all the other average people…living in fear of criticism. Living in fear of what someone else might think of them or criticize them for. People are always critical of other people.
The number one fear of most humans is the fear of ostracism—the fear of being different. Of standing outside the herd. So people just join the herd and hide in the herd because they are afraid of being criticized. Most people feel safer in the herd of the average, living in fear of being criticized or being different. Most people find it easier to be average, to be normal, to hide, doing exactly what the herd does...just going along...just to get along.

Your financial statement is your report card once you leave school. It is one of your report cards—a very important report card. Other report cards are your annual health checkup, you weight, your blood pressure, and the emotional health of your marriage.

Often people who had good grades in school have poor to average financial grades in life. In school, students are given report cards once a quarter. If a child is in trouble, the child at least has time to make the proper corrections if he or she wants to. In real life, many adults never receive a financial report card—until it’s too late. Because many adults do not have a quarterly financial report card, many adults fail to make the financial corrections necessary to lead a financially secure life. They may have a high-paying job, a big home, a nice car, and they may be doing well at work, yet they are failing financially at home. The may be too old or out of time when they finally realize they have failed financially. That is the price of not having a financial report card at least once a quarter.

LEARN FROM YOUR MISTAKES

The reason so few people achieve great wealth is simply because they fail to make enough mistakes. Mistakes can be priceless if we are willing to learn from them.

Chapter 3 WHAT IS THE PRICE OF EDUCATION?

“If you thing education is expensive, you should try ignorance.”

WHY JOB SECURITY IS NOT A PROBLEM

Today, the issue is financial security, not job security. It used to be the seniority with a company was an asset, now seniority is a liability. Today, a growing reason behind many personal bankruptcies is not financial mismanagement but catastrophic illnesses.

The three fundamental types of education are:
1. Scholastic Education: The education that teaches you how to read, write, and do arithmetic.
2. Professional Education: The education that teaches you the skill to work for money, such as learning to be a doctor, lawyer, plumber, secretary, electrician, teacher.
3. Financial Education: The education that teaches you how to have money work hard for you.

For most people, highly educated or not, it is not what they know that is costing them money, it is what they do not know than is most expensive. Let us take just one subject as an example of lack of education...and that subject is taxes. Most of us realize that taxes are our single largest expense. We are taxed when we earn, spend, save, invest, and die. Now, compare the difference in taxes an employee pays as compared to what a business owner pays. The dollar amount over forty years is staggering. And taxes are just one small subject in the world of financial education.
Now compute the cost of what happens to a person who cannot read a financial statement, much less know what a financial statement is. Or what happens to a person who does not know the difference between an asset or a liability: good debt and bad debt; debt versus equity; or the differences between passive income, earned income, or portfolio income. It is the lack of this basic financial education that undermines a person’s basic financial intelligence. It is this lack of financial intelligence that causes many people to work hard professionally, often earning a lot of money, but failing to get ahead financially. They many have job security, buy many never find financial security.

Earned income is by far the hardest income to get rich on. One reason it’s close to impossible is that every time this person gets an earned income pay raise, so does the government. Another reason is, if you stop working, in most cases your earned income also stops. Passive income and portfolio income are the incomes of the rich. It is virtually impossible to become rich only on earned income.

Cashflow 101 trains people how to convert earned income into passive income and portfolio income.

There are two things you can invest. They are time and money. Most people are not willing to invest either time or money in their financial education, and that is why according to the U.S. Department of Health, Education, and Welfare, only 1 out of 100 people will achieve great wealth by age sixty-five.

I became a millionaire without cutting up my credit cards, winning the lottery, or going on a game show.

Kiyosaki’s Income Column Today

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<tr>
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</tr>
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<td>Passive income</td>
<td>70%</td>
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One of the biggest advantages a little financial education offers is a tremendous amount of control over the amount a person pays in taxes, which is usually a person’s largest expense.

The reason most bankers are not rich is because they are too conservative. They are not gamblers. And the reason that most gamblers are not rich is because most gamblers are not good bankers. To become successful, you must be both a banker and a gambler so you can afford to lose, because every gambler knows that losing is part of winning.

My definition of a loser is someone who cannot afford to lose. When it comes to money, most adults cannot afford to lose. They cannot afford to lose because financially they have already lost. Million of people all over this country, the richest country in the world, live at their financial maximum.

Most people are buried in bad debt. They are so concerned with survival that they cannot even imagine a life of wealth.

Chapter 4 – What is the Price of Cutting Up your Credit Cards?

You must know the difference between good debt and bad debt.

THE RICH HAVE MORE DEBT THAN THE POOR.

The drudgery of earning a living. That is why I do not understand people who say, “Money does not make you happy.” I often wonder what they do for fun.
Given the choice, people would rather have more money and have the freedom to enjoy life more. The only people who say “Money does not make you happy” are either people who already have a lot of money and are still unhappy, or people who would not know what being happy is anyway. In my opinion, it’s not money that makes you unhappy. It’s not being able to pay your bills or not having the money to do the things you would love to do, that tends to make people unhappy.

I am concerned with so many people today who have their portfolios filled with paper assets, feeling rich. There is a very big difference between paper assets and real assets, paper wealth and real wealth.

Making a mistake and learning from it can be a priceless experience. Making a mistake, then lying, blaming, denying, or pretending you did not make a mistake, is a waste of a good mistake. One of the most important lessons I learned was to face my mistakes, learn from them, and try not to repeat the mistake. That was the most important lesson in a chain of many important lessons because I chose to “face the music,” as they say.

GOOD DEBT INTO BAD DEBT

Every time you owe someone money, you become an employee of their money. Good debt is debt that someone else pays for you, and bad debt is debt that you pay for with your own sweat and blood.

The rich have more debt than the poor. The difference is that they have good debt and the poor and middle class are loaded up with bad debt. People who respect and harness the power of debt may become rich beyond their wildest dreams. As you now know, debt has the power to make you very rich and it also has the power to make you very poor.

THE LESSONS LEARNED

Lesson #1: The Importance of Good Debt and Bad Debt

The income from their jobs is their only source of income. Most people are suffering from financial worries from bad debt that is eating them alive on the inside. There are buying liabilities with bad debt, instead of assets with good debt.

WHO ARE YOU REALLY WORKING FOR?

Every time you owe someone money, you become an employee of their money. This is, if you take out a thirty-year loan, you’ve instantly become a thirty-year employee. Unfortunately, they do not give you a gold watch when the debt is retired. When you borrow money, do your best to not become the person who actually pays for the loans.

Always keep your eye on your cash flow. Look at potential appreciation in real estate as a bonus, not as a reason to buy.

Lesson #2: The Power of Inspiration

A lot of people work hard to live below their means, while Kim and I work hard to continually expand our means, and that makes a big difference in the way we live our lives. We use luxuries of life to inspire us to become richer.
Lesson #3: My Banker Loves to Lend Me money for Both Assets and Liabilities

Your banker will lend you money regardless if you buy an asset or a liability. Why? Because regardless if you borrow money for a liability or an asset, to the banker, either one is an asset. People who first borrow money to buy assets usually end up with more money to buy liabilities. People who only buy liabilities often have no money left to buy assets. Since you banker does not really care which you buy, assets or liabilities, because either one is an asset to the bank, then maybe you should care.

Lesson #4 What Asset Does Your Banker Love the Most?

The three primary asset classes a person can invest it are:

1. Businesses
2. Real estate
3. Paper assets

Which of these asset classes does your banker love the most? The answer is real estate.

Chapter 5 – How Much Debt Do You Really Have

Do you routinely pay your bills late?
Have you ever hidden a bill from your spouse?
Have you neglected repairing the car because of insufficient funds?
Have you bought something recently that you didn’t need and couldn’t afford?
Do you regularly spend more than your paycheck?
Have you been turned down for credit?
Do you buy lottery tickets in the hope of getting out from under?
Have you put off saving money for a rainy day?
Does your total debt (mortgage excluded) exceed your rainy day reserve?

RICH DAD’S EMERGENCY CASH FLOW PROGRAM

If you really want to gain control of your cash flow, you’re going to need three key ingredients: figuring out where you are financially; personal discipline; and a game plan that’s going to take you where you want to go.

Which quadrant of the CASHFLOW Quadrant do you receive your income from today?
Determine which quadrant you want to receive the bulk of your income from in five years.
Begin your cash flow management plan.

Chapter 6 – What Is The Price of Change?

The definition of insanity is to keep doing the same thing over and over and expect different results.

Newton’s Other Law – “A body at rest stays at rest. And a body in motion stays in motion.”

My advice is to keep your daytime job and give yourself at least five years to start something new in a new quadrant.
Your chances of creating financial success in the E or S quadrant are slim and none.

Who wants to be a millionaire? Are you willing to change quadrants? Some are but most are not. Why? The answer is again found in the word “change.” It takes a brave heart.

“Great spirits have often encountered violent opposition from mediocre minds.” – Albert Einstein

Problems arise when emotional thoughts overpower mental thoughts. The emotion of fear rises up to challenge the mental idea of building this business. If the emotional thought is stronger than the mental thought, then the physical result is often no action at all. The mental thought of achieving wealth and financial freedom is overcome by the emotional thought of fear.

THE POWER OF IDEAS

We all do things that make us successful and we all do things that keep us unsuccessful.

One of the main reasons most people do not achieve great wealth and financial freedom is simply because they are afraid of making mistakes. We are taught in school that mistakes are bad. In the real world, the person who makes the most mistakes and learns from them - without lying, cheating, denying or blaming - wins. It is the fear of failing that makes most people fail. The fear of failing is an emotional idea that needs to change because that emotional idea often has more power than the mental idea, which is why so few people become rich.

The idea of a job is an idea born out of the Industrial Age. Anyone clinging to old Industrial Age rules will financially fall behind those who adjust to the new rules of the Information Age…and believe me, the rules are different. If you are clinging to the idea of job security, automatic pay raises, and seniority, you are clinging to rules created in the Industrial Age. The good news is that there has never been more opportunity to gain tremendous wealth - but to gain that wealth, the price is that you may have to change.

In Conclusion – What is the Price of Fixing Your Financial Report Card?

Accounting leads to accountability. You must keep track of your financial report card. You have to pay the price. To become financially independent you must improve your financial literacy, your financial intelligence, and be willing to be accountable to yourself, your results, your continuing education, and your personal development in becoming a better human being. To me, that was a price I was willing to pay to become a millionaire. Are you willing to pay the price?