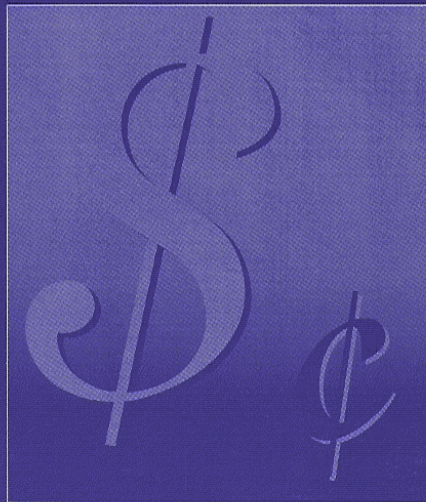


W O R K B O O K

Rich Dad **Secrets:**

**To Money, Business and Investing
...And how YOU can Profit from Them!**



By: Robert Kiyosaki

Robert Kiyosaki's audio series, *Rich Dad Secrets: To Money, Business and Investing...and how YO U can Profit from Them!* gives us two basic options. We can choose to spend the rest of our lives working hard for our money, or actually make a shift in perceptions and have our money work for us. The choice is ours.

During the program Robert will take you through a series of ideologies that will most likely stretch your perceptions of financial security, investing, economic planning and the conditions of the current marketplace. Some of his financial theories greatly oppose the views of the majority, but as Robert asserts, 90% of the people have a mindset that puts them in a position of owning only 10% of the marketplace. Meanwhile the remaining 10% of the public actually own 90% of the marketplace. With Robert's proven track record as a multimillionaire and the mindset of the rich 10%, it may serve as a thought-provoking exercise to listen to his theories and open our minds to new possibilities.

SESSION 1: What My Rich Dad Taught Me About Money

In *Rich Dads Secrets: To Money, Business and Investing...and how YOU can Profit from Them!* Robert Kiyosaki gives insights into the socio-economic history of the world from pre-industrial age. He cites historical events that have shaped our beliefs and the climate of the financial world up to the current information age. Weaved throughout his inspiring and thought-provoking stories, Robert gives you specific strategies and action steps that will lead you into the mindset of the rich.

1. *What are your current beliefs and perceptions about money? (For example, if you work hard, you will have money.)*

2. *What industrial-age rules do you still hold onto?*

3. *What are your ideologies about the relationship between an education and money?*

4. *What are your current beliefs about money and risk? (For example, you can't afford to take risks.)*

5. *When budgeting, do you make a point of always paying yourself first?*

6. *Do you currently follow the Poor Dad's beliefs in the left side of the quadrant (where one acquires a safe, secure job where they work to get paid, etc.) or the Rich Dad's beliefs in the right quadrant (big business and investing to acquire money)?*

7. Discuss your viewpoints on Robert Kiyosaki's "Five Cultural Myths About Money."

1. It's best to go to a good school, then get a safe, secure job.

2. If you work hard, you'll earn more money and get rich.

3. You are safe and making a good investment when putting all the money you can into your 401k Retirement plan.

4. Get a good education at a prestigious university, and then you will be secure and rich.

5. *Buy a house; it's definitely one of your greatest assets.*

8. *Robert's Rich Dad saw "affluenza" as an obstacle to financial freedom. Do you suffer from affluenza? If so, how? (Do you have to keep up with the Jones', owning a fancy house? Having credit card debts? Living high on the hog?)*

9. *Take a moment to list your current assets and liabilities in the space below.*

Assets:

Liabilities:

SESSION 2: The Cash Flow Quadrant

Observe and study the quadrant below and the descriptions of each segment.

E (Employee): "I'm looking for a safe, secure job with insurance and benefits"

Core characteristics: Driven by fear, need for security

S (Self-Employed): "I'm going to charge you \$100/hr" or "my commission is 6%"

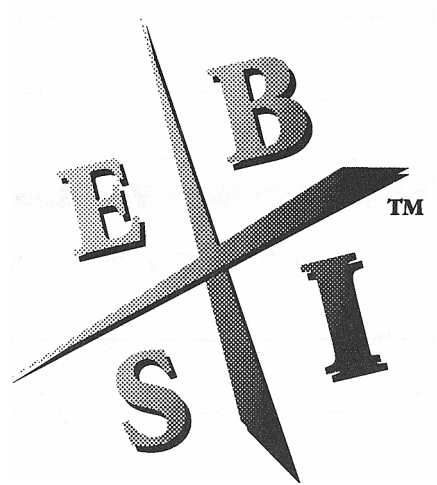
Core characteristics: Independent, distrusting, satisfied, highly specialized, solo

B (Business or Big Business): "I can leave my business for a year and it will run itself"

Core characteristics: I own a system, not a job; I hire others to work for me

I (Investor): "What's my return on an investment?"

Core characteristics: Invest in B quadrant businesses; unattached to financial losses or gains



10. *Which quadrant(s) do you currently inhabit?*

11. *From which quadrant does your cash flow come from?*

12. *Based on Robert Kiyosaki's theories, explain the difference between financial security and financial freedom.*

13. *Based on Robert's teachings in Session 2, what are your current core values? Security and comfort OR to be rich?*

SESSION 3: Why You Should Never Work Another Day In Your Life

14. *What are your beliefs about the ideology that "it takes money to make money"?*

15. *Do you believe that you live in a world that is abundant or lacking?*

16. *Have you had any "would have, could have, should have" experiences? What are they?*

What might you have done differently?

17. Do you have any "handcuffs" currently keeping you in the left quadrant? If so, identify them.

18. If you were to take on a part-time job or studies to aid you in stretching yourself into the right side of the quadrant, what would it be? Please be specific.

SESSION 4: Priming The Pump: Preparing Yourself Emotionally For Wealth

19. How do you manifest your money addictions?

20. Do you have the "big picture" mindset of the big business owner or the "narrow picture" mindset of the employee or self-employed? Are there any active baby steps you could take to stretch this perception further?

21. Based on the theory "Do what you love and the money will follow," what is your passion(s)? Could you look at the bigger picture and turn that passion into a financial freedom venture?

22. Based on Rich Dad's teachings about "risk " and "risky, " what have been some of the financial mistakes you've made in the past? What was the "magic" you gained from this experience?

23. Robert suggests that you begin your journey to financial freedom by taking baby steps. During the next two weeks, try to take some small steps toward taking more intelligent risks in your life each day and note them below. Even if these steps seem very minor, it is important that you note them and credit yourself for the action you are taking. Do not underestimate the value of this exercise! {Continued on next page)

Day 1 :

Day 2:

Day 3:

Day 4:

Day 5:

Day 6:

Day 7:

Day 8:

Day 9:

Day 10:

Day 11:

Day 12:

Day 13:

Day 14:

24. Robert's Rich Dad taught him that being rich is a state of mind. He listed the emotional profile of each of the four quadrant groups as follows:

E (**Employed**): Security oriented; aversion to taking risks

S (**Self-employed**): Independent; tendency to distrust others; "I do it on my own" attitude

B (**Big Business**): More patient; generally a higher level of emotional control; greater ability to see the bigger picture

I (**Investor**): Greater risk-taker; emotionally detached from winning or losing

Your emotional IQ and how you deal with fear is imperative in your shift toward financial freedom. List below some of the key fears you have faced and conquered in your life.

25. *What fears are you currently prisoner to?*

26. *Based on this new information, what fears can you now choose to overcome to gain more confidence and greater financial freedom?*

THE STEPS TO FINANCIAL LITERACY

Listed below are the seven steps to becoming a "B" or an "I".

I. Mind Your Own Business

II. Take Control Of Your Cash Flow

III. Know The Difference Between "Risk" And "Risky"

IV. Decide What Kind Of Investor You Want To Be

V. Seek Mentors

VI. Overcome The Obstacles To Wealth

VII. The Power Of Faith

SESSION 5: Step I - Mind Your Own Business

27. Robert Kiyosaki asserts that constant upgrading of your education is imperative to sustaining financial freedom, especially in the age of the computer and constantly changing technology. Are you computer literate and familiar with the most recent technologies?

What action steps can you take to become further educated in these areas?

28. Are you an over-achiever? Give five examples of how you over-achieve in your life.

How can you turn these over-achievements into under-achievements?

SESSION 6: Step II -Take Control Of Your Cash Flow

29. At this point in the series, Robert discusses three types of income: Earned, Passive and Portfolio. Earned is the most highly taxed, generally employment income. Passive income is least taxed, providing the greatest tax advantages, for example real estate earnings. Portfolio income comes from stocks, bonds, mutual funds and savings.

List below your Earned, Passive and Portfolio based income.

30. Robert's Rich Dad instructed him that the less involved you are in your business, the richer you will be. Below, he lists the assets that don't require your presence:

A. Businesses

B. Stocks

C. Bonds

D. Mutual Funds

E. Income Generating Real Estate {commercial, residential, raw land, etc.} F. Notes or IOU's

G. Royalties from Intellectual Property {books, games etc.}

H. Anything Else That Produces Value (collectors' items such as Beanie Babies, stamps, coins etc.)

ACTION STEP: Based on each of the above categories, list below all assets that put money in your pocket on a weekly or monthly basis:

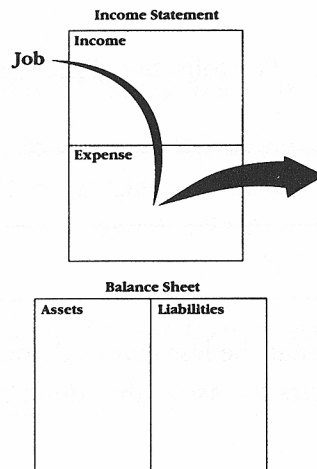
SESSION 7: Step III -Know The Difference Between “Risk” and “Risky”

I. Take Control Of Your Cash Flow

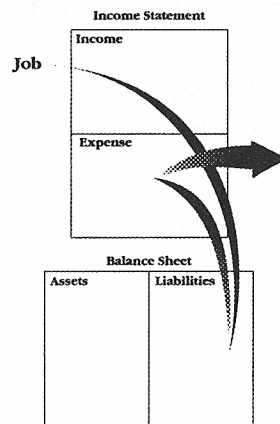
31. At this point in the series, Robert gives us the example of the single mother who is penny poor with a garage full of children's toys. He points out that it requires discipline and prioritization to acquire financial freedom. He suggests that we first buy assets, then with those assets we can afford to buy our liabilities. He reminds us that our house is not an asset as long as we are putting money into it for upkeep without acquiring anything from it (such as monthly rental payments from tenants).

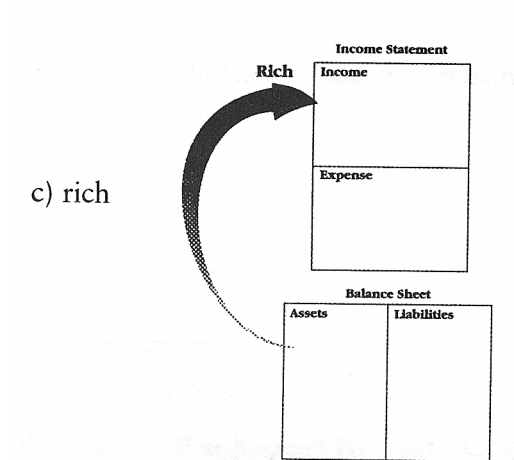
ACTION STEP: Analyze the following Income Statements and mark which economic class each is indicative of based on the cash flow patterns of the

a) poor



b) middle class





Which of the above Income Statements most resembles your current financial status?

Now, ask yourself if you are in control of yourself mentally and emotionally. State below how you can change your current status. If you cannot come up with a plan, make the choice to seek the help of an accountant or financial planner.

If you have the CASH FLOW game, take the time to play it and familiarize yourself with it.

32. Roberts asserts that knowledge is integral in the development of financial freedom. If you are not educated in the areas of investing and finance, you should educate yourself to become so. He suggests that you take the following steps:

ACTION STEP: Take the time to read business and financial newspapers such as The Wall Street Journal or The Financial Post tune into the financial news on the television or radio, make a point of listening to financial educational programs such as Nightingale-Conant audiotapes.

List below the resources that you utilize to further educate yourself in the areas of finance and business.

SESSIONS 8 & 9: Step IV -Decide What Kind Of Investor You Want To Be

33. In this session, Robert describes the Seven Levels of Investors. He lists core values as being a need for security, the desire to be comfortable (e.g., a summer home, second car, and the drive to be rich. He reminds us that money is a mental, emotional, spiritual idea and that one has to be willing to become insecure or uncomfortable to become rich. When Robert was ready to make that decision, he was able to accommodate all three core values and find success and freedom, but not without initially risking his security. The Seven Levels are as follows:

- 1) Those with nothing to invest -often have no investments, few assets, and live from paycheck to paycheck.
- 2) Borrowers -often have little or no investments, few assets, and have credit card or other outstanding debts. This person borrows to solve financial problems.
- 3) The Saver -invests a small amount of money monthly on a low-interest plan.
- 4) The Smart Investor -has an awareness of the need to invest. They don't speculate and don't do IPO's, derivatives or day trading.
- 5) The Long Term Investor -is an insider on the deals. Their investments usually start with real estate, they understand financial statements, actively invest and cut their own deals, are good negotiators, are quite sophisticated and tend to work on their own. They have an ability to see the bigger picture and hidden opportunities that they can benefit from. Robert stresses the importance of good negotiating skills and reminds us that "your profit is made when you buy, not when you sell." He states that anticipating potential escalation in value is speculative. The profits should be clear and obvious during the purchase or the purchase should not be made.

6) The Sophisticated Investor -has excellent cash flow management skills, is very focused on their investments (does not widely diversify), is knowledgeable about tax and investor business laws, can read financials and has a good team of accountants and attorneys. They are not concerned with capital gains, but more in how money can flow into their pocket with as few taxes as possible. They have cleverly worked their finances so that they can move with the marketplace, thus are happy with market crashes as well as growths. They have the know-how to utilize "puts" and "calls" to ensure balanced gains and losses in their investment choices. They have excellent management skills and do not put all of their income in one trade.

7) The Capitalist -does not need to use their own money to attain financial gains; they learn to use other people's money and other people's time on their behalf.

ACTION STEP: Make a definitive decision as to whether you want comfort and security in your life or whether you want to be rich. If you choose comfort and security, you could attain a Level 4 or 5 on the scale. In order to attain these levels, you need a solid financial plan, insurance and sound advice from a financial planner. In order to attain Levels 6 and 7, you need to dream, have drive and dedication along with a "willingness to win". Take an honest look at the 7 Levels and find out where you are. Then ask yourself where you want to be. Which level are you at currently? If you want to get to a higher level, list below the steps that you will take to get there.

34. Remember the old adage, "birds of a feather flock together". This holds true in the world of finance. List six people you spend most of your time with. Beside their name, note the quadrant that each of them inhabits (E-, S, B or I). Now that you've made a decision about your future, are those you spend time with in alignment with your financial goals? If not, how can you make this transition?

SESSION 10: Step V -Seek Mentors

35. Robert's Rich Dad taught him that in order to stretch his income, he needed to be willing to stretch his knowledge, keeping an open mind to new and innovative ideas. It is very important that we seek mentors who can aid us in our growth. Anyone who wants to gain wealth must have the vocabulary to effectively communicate with those who are wealthy and financially educated.

ACTION STEPS: Find tapes or books by some of the wildest thinkers. Seek out thinkers who do not align with your way of thinking. Open your mind to alternative perceptions. Robert tells the story of how his Rich Dad made him work for nothing. He encourages you to do the same. Do volunteer work, what Robert deems as "sweat equity" for a company. As you do so, note all that you can on how finances are managed. You can learn from both the good and the bad habits. We can learn from everyone around us. List below mentors you have had in the past. Then list potential mentors that you believe could benefit your further financial growth.

Step VI -Overcome The Obstacles To Wealth

36. In this session Robert Kiyosaki lists the obstacles one must overcome to attain financial freedom. He reminds us that we must find our strength by looking within. We will not find it outside ourselves. He lists the six greatest emotional obstacles to overcome as the following:

- 1) Fear (False Evidence Appearing Real) -Do not let the fear drive you away from your dreams.
- 2) Cynicism- Open your mind to what "could be" as opposed to what "is not. "
- 3) Laziness -Transform the lazy idea "I can't afford it" into "how can I afford it."
- 4) Bad Habits -Recognize your bad habits, then take the necessary steps to change them.
- 5) Arrogance -Ego plus ignorance equals arrogance. Note the difference between arrogance and confidence. If you have actually done something, then you are not bragging. You are simply confident.
- 6) Disappointment- To overcome disappointment, you should
 - a) Expect to be disappointed
 - b) Have a mentor who supports you
 - c) Be kind to yourself! Failure is something we have done, it is not who we are.
 - d) Tell the truth. It is necessary to accept responsibility for our mistakes without justifying them.
 - e) Don't quit!

ACTION PLAN: Be honest with yourself and list below any of the above obstacles are keeping you from becoming financially free.

What steps do you need to take to overcome the above obstacles in your life?

To start learning about investing, begin by putting a small amount of money down on the deal. As you do so, your intelligence goes up. List below the investments you make. What have you learned from the experience?

SESSION 11: Step VI (Cont) & Step VII -Overcome the Obstacles to Wealth & The Power of Faith

37. Robert shares a reminder about the abundance that surrounds us in nature. He recognizes that God wants our lives to be abundant, that there is no lack to be found in a beautiful sunset. He suggests that instead of following the dogma of others, we look to nature for the truth and note that there is plenty of abundance there. We often find ourselves lying or making excuses for the lack in our lives.

ACTION STEP: We often create lies to avoid change in our lives. For example, the reason I can't be rich is...my wife is a big spender...I don't have the time or I'm too old to return to school...it's too late to make changes in my life...my parents never supported me, etc. Write down some of the lies that you have had running your life.

After writing them, take the time to review them and laugh at yourself. Then face them. With honesty and humor you will start to heal them.

SESSION 12: The Choice Is Yours: What My Rich Dad Would Tell You

38. Robert leaves us with a reminder that we should always maintain the qualities of Integrity, Honesty, Morality and Ethics when pursuing our financial dreams.

Review all of the teachings that Robert Kiyosaki has shared with you in this program. List below the highlights that most profoundly affected you and the action steps that you plan on taking to make your desired changes.

The views expressed in this workbook and on the tape are solely those of the author: Both Nightingale-Conant and Robert Kiyosaki recommend that you seek the advice and counsel of a professional lawyer and financial planner: