

An Interview with Robert Kiyosaki

This hypothetical interview is taking place between Robert Kiyosaki and a sharp group of students preparing to play CASHFLOW 101.

Characters:

Author: Robert Kiyosaki
Students (4): Shirley C. Gold, Will B. Wealthy, Rich N. Famous, Penny Saved

Role Play:

RK: My name is Robert Kiyosaki. I am fourth-generation Japanese American. I wrote the best selling books Rich Dad, Poor Dad and The Cashflow Quadrant and created the game CASHFLOW 101 to help people learn how money works. Your teacher tells me that this is a very sharp class and that many of you would like to become financially free, so before you begin playing CASHFLOW 101, do you have any questions?

WW: Hello Mr. Kiyosaki, my name is Will B. Wealthy. In your book, “Rich Dad, Poor Dad”, you say that wealth begins as soon as your earnings from investments become greater than your expenses. Is this the same thing as assets and liabilities?

RK: An asset is something that puts money in my pocket. A liability is something that takes money out of my pocket. That’s really all you need to know. If you want to be rich or get out of the rat race, simply spend your life buying assets. If you want to be poor or middle class, spend your life buying liabilities.

SG: Mr. Kiyosaki, my name is Shirley C. Gold and I was wondering, in your game we all begin in the rat race, but in real life do we have to begin in the rat race?

RK: When you are starting out, Shirley, you’ll probably need to work for someone else. But if you also endeavor to gain knowledge about how money works, and put that knowledge to good use, you will soon begin to acquire the wealth you need.

SG: But, Mr. Kiyosaki, isn’t that just the same as telling us it takes money to make money?

RK: Great question Shirley, but I disagree when someone says, “It takes money to make money”. The ability to make money with money begins with understanding the words and numbers. As my rich dad always said, “If money is not first in your head, it will not stick to your hands.”

RF: Mr. Kiyosaki, I am Rich N. Famous and I have a concern. My dad is a pilot and my mom is a teacher. They work very hard and make good money, but last week they told me that they don’t have enough money to help me with college. How can that be?

RK: That's an important question Rich. The answer is that most people work for everyone but themselves: for the owners of the company, for the government through taxes, and for the bank that owns their mortgage. Financial struggle is often the result of people working all their lives for others, to wind up with nothing at the end of their working days. The solution is to mind your own business. Start buying real assets, not liabilities or doodads as I call them in Cashflow 101.

RF: So, Mr. Kiyosaki, are you telling us that we should start our own businesses instead of working for others like my mom and dad?

RK: No, not at all, Rich. By all means, follow your passion wherever it leads you. We need more great pilots and more great teachers like your mom and dad. As a matter of fact, my dad was a teacher and so am I. What I am saying, Rich, is that two legs are better than one. In my book, *The Cashflow Quadrant*, I discuss the need to become more financially secure. My suggestion is, in addition to performing their jobs; individuals need to become educated in what I call the Business or Investing quadrants. By having confidence in your abilities on the "B" or "I" quadrants, you will naturally feel more secure, even if you have only a little money. And, as my rich dad said, "It is not so much how much money you make, but how much money you keep, how hard that money works for you, and how many generations you keep it for."

PS: Mr. Kiyosaki, my name is Penny Saved. I'm really looking forward to playing Cashflow 101. My friends tell me it is really fun, but to tell you the truth, I really want to win. Can you give me a tip? What is the secret to winning the Cashflow 101?

RK: Well, Penny, the real secret is everyone wins by learning how to get out of the rat race. But, as I mentioned in my book, *Rich Dad, Poor Dad*, the people who get out of the rat race quickly are the people who understand numbers and use creativity. They look for financial options. People who take the longest are people who are not familiar with numbers and often do not understand the power of investing. Rich people are often creative and take calculated risks. And financial intelligence, Penny, is simply having more options.

SG: But, Mr. Kiyosaki.

RK: Yes, Shirley.

SG: What should I do if I don't get the right opportunity cards while we are playing the game? What do you do when you don't have the financial options you need to get ahead?

RK: If the opportunities aren't coming your way, Shirley, think about what else you can do to improve your financial position. If what you've been counting on doesn't happen, what other financial options can you create? That is financial intelligence. It is not so much what happens, but how many different financial solutions you can think of to turn a lemon into millions. Financial intelligence is how creative you are in solving financial problems.

PS: (Hand Up)

RK: Yes, Penny. What is your question?

PS: Mr. Kiyosaki, I have worked odd jobs since I was 12. My parents taught me to give 10% of my earnings to charity, save 40% for stuff I want to buy, and invest the rest. I now have a small but growing portfolio of (interrupted by WW).

WW: OK, Penny, we all know how perfect you are.

RF: Yeah, Penny, I'm sure Mr. Kiyosaki is so impressed with your two shares of Microsoft.

WW: Hey, Penny, has Bill Gates been calling you for some advice?

RK: That is fantastic Penny! And, yes, I am impressed! Go on.

PS: Thank you, Mr. Kiyosaki. Here is my question. My parents told me that when it comes to personal finance, most people are W.I.M.P.S. They said that I should ask you what that means.

RK: Your parents are very wise, Penny. It sounds like they know the difference between their profession and their business. Most people think that Ray Kroc, the founder of McDonald's, was in the hamburger business, but he was not. His profession was selling hamburgers, but his business was cash flow from owning the real estate on which the restaurants sit.

Simply put, a profession is what you do for others and a business is something you do for yourself.

So, Penny, people who do not understand how to mind their own business will always be the W.I.M.P.S. your parents are talking about.

Here is what it means: *(Of course, the answer can only come from Robert Kiyosaki)*

RK: Thank you, you're a great group, good luck with CASHFLOW 101.