



# WHY WE WANT YOU TO BE RICH

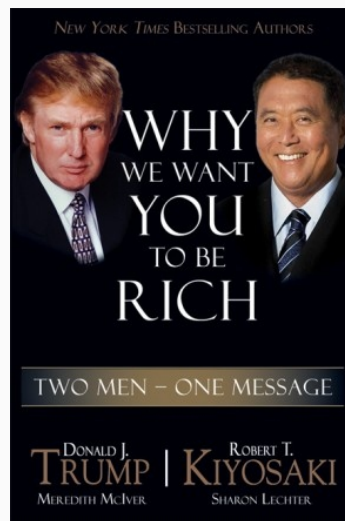
## Two Men, One Message

By Donald J. Trump and Robert T. Kiyosaki, RichPress, 2006

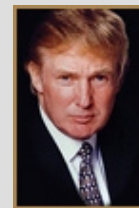
America's middle class is disappearing. Today, if you are middle class, you either need to become rich, or you are in danger of suddenly becoming poor. That's because the US economy is at risk: the dollar is falling, jobs and industries are being exported abroad, wages are decreasing, oil prices are rising, and Social Security and Medicaid are going bankrupt.. Today's middle class are in danger of losing jobs, retirement pensions, Social Security, and Medicare, and the government cannot protect them.

Donald J. Trump and Robert T. Kiyosaki wrote "Why We Want You To Be Rich" because they believe the solution lies in financial education teaching

people not only how to avoid being poor, but also how to become rich. By sharing their own success stories, Trump and Kiyosaki show how people can think, act and be rich. [read the summary](#) →



### About the Author:



**Donald J. Trump** is the very definition of the American success story, continually setting the standards of excellence while expanding his

interests in real estate, gaming, sports and entertainment. He is a graduate of the Wharton School of Finance and started his business career in an office he shared with his father.

Mr. Trump has authored seven books, all of which have become bestsellers. Trump World Magazine was launched in 2004, Trump University Online in 2005, and the Donald J. Trump licensing program currently includes men's suits, dress shirts, neckwear, cuff links, watches, eyewear, and fragrance. In January of 2006, GoTrump.com, an online travel agency, made its debut.

[for author info](#) →

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## I. A Crisis Is Coming

Under globalization, industries and jobs are being transferred to other countries, and America, as well as other developed countries, is becoming a consumer rather than a producer. With oil prices controlled by supply and demand on a global scale, the US economy has become dependent on global trends. With the decline of the middle class, economic stability and democratic capitalism is also in danger.

In a few years, some 75 million baby boomers will retire. If each of them collects just \$1000 a month, the government has to pay out \$75 billion monthly. This is similar to the cost of a Hurricane Katrina or an Iraq war every month.

Today's poor and middle class needs to wake up to the fact that soon, the US government will not be in any position to take care of them. America has become the biggest debtor-country in the world; 44% of the debt is owned by foreigners. For years, government has not been managing the economy well, putting off problems instead of confronting them.

### A Mismanaged Economy

Poor financial management has made such benefit programs as Social Security and Medicaid unsustainable. The US also has 423 million dollar trade deficit and it is growing, meaning it is consuming more than it produces, just like a family that earns \$5,000 a month but spends \$6000.

Also, the current tax system favors the very rich over the poor and middle class. Tax cuts for example benefit the rich more than the poor. That means millionaires pay less taxes than the poor and middle class.

But instead of coming up with solutions, government has continued to borrow money to pay its obligations. Poor financial management also afflicts many big corporations, like General Motors.

## II. The Problem: Low Financial IQ

Most Americans, however, are poorly equipped to handle the crisis because of lack of financial education. When you have low financial intelligence or IQ, you keep doing the wrong thing and end up poorer than you are now.

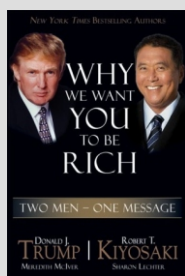
For example, people expect the government to solve the problems facing the poor and middle class. But the truth is, government has not enough resources or power to do so. Many of our problems today are global in nature, such as the price of oil, terrorism, and the exporting of jobs and capital to other countries.

At the same time, people in America think that they are entitled to jobs and job security, health care, wealth and prosperity. This overdeveloped sense of entitlement has made America's middle class complacent in the face of the impending crisis. When America's baby boom generation retires, the government will be hard put to cover benefit payments.

Another factor contributing to this problem is the lack of financial education in America. Many Americans grow up well educated, but know little about money. For the most part, the poor are taught to rely on welfare, and the middle class imbibe the dictum of saving, working hard and investing their money safely in mutual funds and other safe investments.

This kind of poor financial education has only made the poor poorer and the middle class at risk of being poor. Poor financial education has

### About the Book:



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also made people vulnerable to financial scams, rip-offs, or simply legal but dubious ways of investing.

For example, people continue to invest in big, well-known companies without being aware that many of these companies are mismanaged or in trouble. People continue to count on Social Security and Medicare, even though these programs are going bankrupt.

### III. This Affects You

The danger is real. Medicare's HI program has been experiencing a cash flow deficit since 1992. One in two Americans will need long-term care that Medicaid won't be able to pay for. As such, retired older people will spend all their savings for health care, leaving them destitute in old age. This will burden the younger generation to care for the elderly.

This is why the greatest fear in America today is running out of money during retirement. 80% of the baby boom generation does not have enough money to fall back on.

Most Americans today are betting on the stock market, the government, or a pension to take care of them financially. Trump and Kiyosaki say none of these can solve your financial worries. Only you can take care of yourself financially. This book shows you how to avoid being a victim by gaining financial intelligence - learning how to see the world of money, business and investing, and using this new vision to win financially.

### IV. Bad Times Can Make You Rich

The first thing you need to realize is that you can turn the problem into an opportunity. People who are successful with money know

that bad times can make you rich. Rising oil prices, for example, hurt the economy and many businesses, but not all businesses would suffer. In fact, in any economic crisis or problem, while some people would be badly affected, there are others who would get richer.

### V. Increase Your Financial IQ

When you recognize this fact, you need to decide to place yourself on the side of those who can take advantage of turbulent financial times to increase your wealth. And this means raising your financial IQ. Financial IQ simply means "having the ability to chart the economic waters nationally and internationally, to be able to look beyond the present and into the future, and to make decisions based on those assessments and insights.."

### VI. Invest To Win

Most people fall into four different quadrants: employee, small business person/self-employed/specialist, big business owners, and investor (from the boardgame CASHFLOW by Kiyosaki).

In addition, there are basically three types of investors:

1. People who do not invest at all. These are people who expect their family, their company or the government to take care of them when they retire.
2. People who invest not to lose. These are the majority of investors, people who invest in what they think are safe investments
3. People who invest to win are people who are willing to study more, want more, want more control, and invest for higher returns

Whatever category or type of investor you are, you can become rich. But first, you need to choose which category is best for you. Not everybody can and wants to be an investor or entrepreneur,



preferring to work for companies and have job security.

So ask yourself: What are my values? Do I value job security? Or do I value freedom more? What are my skills? Which quadrant is best for me then, given my values and skills?

Next, envision yourself as the successful person you have dreamed of becoming. Which quadrant will you be in when you reach the pinnacle of success?

Now compare your two answers. Are you already in the correct quadrant? If not, sharpen the skills you already have and create a plan to make you move to the quadrant where you can see yourself as a personal success. List the steps you need to take to get there.

## VII. Gain Leverage

The difference between rich, poor and middle class is leverage. Leverage is the ability to do more with less. If you want to become rich, you need to develop the greatest leverage of all your mind. So you need to educate yourself financially. Don't rely on financial experts, accountants and advisers to invest your money for you. Many financial experts have little financial training or experience.

Leverage can come in many forms. It can come from your thoughts. This means you have to stop thinking poor. Don't say, I don't have money, what can I invest? Or it's too risky, or I do not have a rich dad or inherited money to get me started so I cannot afford to take risks.

You need to start thinking out of the box that says the wise course is to save money, live below your means, invest in safe investments like mutual funds. Raising your financial IQ will allow you to take bigger, more daring steps, take bigger risks (but calculated risks), but reduce the chances of losing because you know what you're doing.

Leverage can also come from making strategic

partnerships that allows you to benefit from other people's ideas, money and resources (just as they do from yours).

So review how you benefit from leverage in your life today. Make a list of:

- Other people's time being used for your benefit
- Other people's money being used for your benefit

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**Robert Kiyosaki**, author of Rich Dad Poor Dad — USA Today's #1 Money Book for two years running and the international runaway bestseller — is an investor, entrepreneur, and educator whose perspectives on money and investing fly in the face of conventional wisdom. He has, virtually single-handedly, challenged and changed the way tens of millions, around the world, think about money.

Prior to writing Rich Dad Poor Dad, Robert created the educational board game CASHFLOW® 101 to teach individuals the financial and investment strategies that his Rich Dad spent years teaching him. It was those same strategies that allowed Robert to retire at age 47. Today there are more than 1,600 CASHFLOW Clubs — game groups independent of The Rich Dad Company — in cities throughout the world. Born and raised in Hawaii, Robert Kiyosaki is a fourth-generation Japanese-American. In 1994 Robert sold his business and, through his investments, was able to retire at the age of 47. During his short-lived retirement he wrote Rich Dad Poor Dad. In Robert's words, "We go to school to learn to work hard for money. I write books and create products that teach people how to have money work hard for them."

To know more about the author, please visit <http://www.whyyewantoutoberich.com>.



- How might you increase the use of leverage in your life?
- How do you see others using leverage in their lives?
- Could you see yourself doing what they do?

## VIII. The Two Things You Invest

There are only two things you can invest: time and money. But most people invest only their money, not their time. As a result, they lose money.

When it comes to investments, the questions you should ask are:

1. How do you reduce risk and increase returns?
2. How do you find great investments?
3. How do you know a good deal from a bad deal?
4. How do you invest with less of your own money and more OPM (other people's money)?
5. How do you get the experience without risking money?
6. How do you handle losses?
7. How do you find good advisors?

These are questions without specific answers, however, so it is not easy to answer them. But these are the questions you need to ask when studying, learning and searching to raise your financial IQ. It is the search for the answer that makes one rich. This is what investing your time means.

Investors who take the time to study also acquire the financial skill, education and experience that enable them to invest in things that give higher returns, such as businesses and real estate and more advanced investment vehicles such as hedge funds, limited partnerships, private equity funding, and syndications.

•So as a next step, review how you spend your time: There are 168 hours in a week (7 X 24)

and calculate:

- Hours spent working
- Hours spent commuting
- Hours spent getting ready
- Hours spent eating
- Hours spent with family
- Hours spent on hobby
- Hours spent exercising
- Hours spent getting educated
- Hours spent relaxing

Then, make a commitment to spend from 4 to 10 hours a week on your financial education.

## IX. Taking Control

Next, review your life today and see how much control you have over it. Are you able to choose how you spend your day, or are you told how to spend it? Do you direct how your money is invested, or do you leave it up to someone else? Ask yourself:

- What are you in control of?
- What are you not in control of?

Becoming more active in your financial education and investments will give you more control of your life. If you are an employee and feel you have little control over your life and finances, consider what you can do on a part-time basis to change that, like starting a part-time business. This will boost your confidence and give you a greater feeling of control in your life.

## X. Be Creative

Creativity makes you rich. Here are some examples of creative thinking:

1. If I were to save money or invest in bonds, it would be the bank that sets the interest rate. In real estate, there are many times I determine the amount of interest I can collect.
2. When it comes to income, I can increase or decrease my income with real estate or business as I see fit. With stocks, bonds and



mutual funds, other people determine how much income I earn

3. When it comes to taxes, if I were to sell paper assets, I would have very little control over taxes. With real estate and business, I can control when I pay my taxes, if ever, and how much I pay. The tax laws are written to support re-investment into one's business or real estate.

4. I can change the use of a property asset. For example, if I look at 10 acres of land as a farmer, I might be willing to pay \$1,000 per acre. If I look at the same acres of land as a developer, I can change the zoning, which would make that same piece of land worth \$10,000 per acre.

5. I can use my connections and "inside information" to trade a piece of property or a small business. If I use such inside information to trade a security, it may be illegal.

6. I can take a bad piece of property, add some decorative touches, such as paint, and increase the value of the property.

So ask yourself: Have you ever had a great idea? Have you ever made money out of your great idea? If not, think how you can take your great idea and leverage it while you keep control over it.

## XI. Think Big, Think Expansion

Most business ventures fail because one or more pieces in the B-I Triangle is weak or non-existent. The B-I Triangle shows that 8 essentials any business should have: Mission, Leadership, Team, Cash Flow, Communications, Systems, Legal, Product. Mission is the most important, product the least important. The world is filled with great products that fail. This is because Mission is the heart and spirit of the business.

A great business will have a strong mission, great leadership, a competent team of managers who work well together, excellent cash flow financing, clear and effective sales

and marketing communications, systems that work efficiently, clear and tight legal documents and agreements, and of course, a great product.

For example, most of us can cook a better hamburger than McDonald's, but few of us can build a better business system.

If you want to think big, think in terms of systems and efficiency. But beyond thinking big, you also need to think expansively, including seeing what is possible and making it happen. This means being innovative, seeing something and knowing it could be different or better.

So ask yourself:

- Putting aside any fear of risk, what do you envision?
- What is one area in your life where you could think bigger?
- What is one area in your life where you could think expansively?
- What are you going to do about it?

Also, make a commitment to yourself to change three things that you are doing now. Being richer means doing things differently.

## XII. Formula For Attaining Great Wealth

The formula for attaining great wealth is summed up as follows:

- Leverage
- Control
- Creativity
- Expansion
- Predictability

## XIII. Some Tips

1. List down the most important lessons of your life. These are the lessons that you learned from your parents, school, your religion, etc. See how they have defined your life and who you are. This gives you an insight



on your character and how you can best succeed.

2. If you are still in school, get a basic education in accounting and business law. After you have left school, invest some time converting that education into experience.

3. If you are an adult without much money, find ways of expanding your means instead of living below your means.

4. If you are going to invest in business, real estate or stock, it is important to be able to read numbers. They are an important part of financial literacy

5. Learn technical investing, or how to invest when markets are going up and when markets are going down. A good technical investor knows how to make money whatever direction the market is moving

6. If you are a baby boomer without much money, start investing in your health, wealth and happiness. Start doing what you really love, even if it's only part-time. Also, start investing in things you love: this way, you're more likely to know more and study more about the subject. And the better informed you are, the more wisely you'll invest.

7. If you're already rich and want to become richer, start investing in fast-track deals and be sure to deal with qualified, accredited investors. Explore real estate partnerships, oil and gas partnerships, private equity funds, hedge funds, and derivatives.

from family and friends, lack of focus, lack of determination, and lack of courage.

Another important reason is the lack of an environment that supports a person to become rich. Thus, if you want to be rich, go to an environment where people are getting rich (like a real estate's office or stockbroker's office). 🧠

## XIV. Why Do Some People Who Want To Be Rich Don't?

There are many reasons why people fail to become rich. Some of these are: laziness, bad habits, lack of education, lack of experience, lack of guidance, bad attitude, bad influence

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