

RICH DAD POOR DAD

One of the most-read books “Rich Dad, Poor Dad”, written by Robert Kiyosaki, is a tale of author's growing up with two DADs — his own father and his best friend's "rich dad".

The story maneuver through the ways in which both DADs mould his thoughts about wealth and investment. The book emphasizes on the point that one doesn't need to earn a high income to be rich and elaboratively tell the difference between “Working for money and Money works for you” concept. For me, it was probably the first out of syllabus non-engineering book I read. I was enthralled by successful technical entrepreneurs and was looking for a good read about finding an elixir or money-plant with spirits intact. The usage of words 'Rich and Poor' is not to portray the financial status but a connotation to bring out the state of mind with respect to thought-process.

“Rich Dad, Poor Dad” is the story which revolves around two fathers; one a qualified with innumerable degrees and the other is a high school drop-out. The story says that when the overqualified father succumbs, he left nothing behind. On the contrary, the school drop-out DAD becomes one of the richest men in the country and passes on an empire to his son. The rich DAD teaches small boys some invaluable lessons about money through his own experiences. The most important one is 'To best use mind and time to create own wealth' through business and investments. Robert's dad is a recognized university professor, and the main goal has always been to secure good results and to find a well-paid job. On the other hand, his best friend and classmate Mike's dad is an entrepreneur, accompanied by skilled people who work for him to make money.

Robert considers his own father to be the "poor dad", even though he is well-off as a professor. He explains Poor tagged as spending all money on stuff that doesn't generate any further wealth, i.e. liabilities. Robert considered Mike's father to be Rich dad as he would use his money to buy assets which generated further wealth and vice-versa. The rich keep getting richer because they have learned to see an opportunity where the others don't. They make their money work for them, so it generates further income and creates a snowball effect – down the road they are making more and more.

The author made me realize that Car is a progressive liability if used privately and an asset if used as taxi. It explains that there is an infinite number of possibilities to become rich, however, the traditional education focuses on grades for knowledge which doesn't teach to take advantage of them practically. The book teaches important lessons of life regarding creating wealth and attaining a cult status.

The rich dad through this book suggests that the key to wealth lies in the capacity to convert salary into passive income because the salary is subject to the higher taxes while the passive income is subject to the lower taxes. That's the main reason money should be working for you and not the vice-versa.

Dr Mukul Kumar Shrivastav
Assistant Professor, AIMT, Greater Noida