

Financial Literacy and Wealth Principles in Rich Dad Poor Dad

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Contrasting Financial Lessons From Two Fathers

Rich's poor dad is told by Kiyosaki while in Hawaii, where he is brought up by both his biological dad, who is poor, and his friend's dad, who he refers to as the rich dad. Most of the content in the book is based on how Kiyosaki learns business and financial tricks from his wealthy father while picking from the mistakes made by his poor father, who used to be a school teacher and who had worked tirelessly for the highest educational public office but had nothing substantial to show for it.

Employment Security and Financial Vulnerability

As much as he received a small retirement pension, it could not sustain him for so long. This means that meaning that despite the many years he had committed to being a teacher, he had to continue working and never retire to stay alive. On the other hand, the rich dad had a lot that he could teach Robert with regard to businesses, investors, employees, and real estate. He owned all these assets, and if not enough, he still worked hard for his passive income. Following Robert's interest and the subsequent proposal for his father to teach him how to make money, the rich dad finally shows him six essential principles that differentiate the methods used by wealthy folks to make money from those used by the poor. So, primarily, the story depicts the wisdom required to participate in business operations and solidifies the principles in the minds of the readers. Similar to "Fundamentals of Management," 9th edition by Stephen P. Robbins and David A. DeCenzo, Kiyosaki writes in a manner that enables a more natural understanding of the current financial principles. Just like it is said that a smart man learns from his mistakes while a wise man learns from the mistakes of others, the short story illustrates the experiences of two different men and describes the path that you should take if you want to become financially independent. (Kiyosaki & Lechter, 1997)

Early Lessons in Work Partnership and Money

The first lesson that Robert Kiyosaki learns comes when he is introduced to a partnership deal with his friend Mike to work for Mike's Dad. By presenting the context of partnership, the author introduces the topic of management and how managers should deal with the workforce in a manner that motivates them. The two boys are exposed to organizational settings, and this drives them to their library business. According to Mike's dad, the secret to making more money was to identify with the fact that one doesn't work for money; instead, money works for them. To implement this rule, the two

were paid 10 cents/hour and asked how it would feel if the same was multiplied over a 50-year span. The rich dad, on the other hand, had them work with no pay to instill two valuable lessons that the boys took so well at the tender age and saw them set up a small library that provided old magazines to other kids for a small fee. These lessons were that most individuals were guided by desire, e.g., greed and fear, such as fear of not being able to pay your bills on time and the need to look for new alternatives to looking for money, just like the two boys had achieved. (Consumer Financial Protection Bureau, 2015)

Employee and Managerial Roles

Comparing this scenario to the 9th edition of Fundamentals of Management, we can categorize the boys as both employees and later managers. Going by the teachings of the rich dad, they had to set an organizational structure that highlighted the roles of each manager and employee. Organizational structures appeal differently to different organizations, and before a firm adopts any given model, special considerations have to be made. The two boys were acquainted with various levels of management so that once they became managers, they would be able to solve issues arising from any department and from whichever managerial level.

Multiple Skills and Entrepreneurial Success

From Kiyosaki's experiences, we can learn that success does not only come from one skill but a combination of different skills. This can be demonstrated in an instance when he advises a journalist to take sales training courses to increase the sales of her writings. At this point, we can also identify the sources of managerial powers, which are also captured in the book Fundamentals of Management.

Sources of Power and Financial Leadership

According to the rich dad, the rich get their powers over other people from five primary sources, including reward, legitimate, expert, referent, and coercive. In addition to these attributes, they also need to possess critical information and have access to crucial resources. These sources offer power to most business managers worldwide. To lead a team, you need to have sound situational awareness as well as the ability to perceptively tune yourself and your emotions. Emotional intelligence is the ability of leaders to overcome stressful situations by familiarising themselves with their feelings or emotions, understanding them, and being aware of how their actions and words may affect those around them. On the other hand, emotional intelligence comprises four elements, namely self-management, relationship management, self-management, and social awareness. Combining emotional knowledge and managerial power in a workplace setting increases the probability of building an exceptional team. An outstanding group may, in turn, be the compass that directs the business to either success or failure. When the team is motivated, they are bound to give their all and

see the project side.

Evaluation of the Book's Financial Principles

Although the book doesn't lack its associated shortcomings, it presents a good starting point for persons anxious to understand more about financial principles and leadership roles and responsibilities. Kiyosaki successfully demystifies the ways that one can become rich and maintain that status in a language that is understandable by the readers.

References

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