RICH DAD’S FORMULA FOR ACHIEVING YOUR FINANCIAL FREEDOM

There are countless opportunities available for investors of all experience levels, but many people never capitalize on them because they let fear get in the way of moving forward. If you want to change your life for the better and start your journey to financial freedom, here is the formula to help you put fear in its place and get you moving forward.

Decide Who Is in Control.

If you are dependent on anyone or anything—be it your spouse, family member, paycheck, or the government—then you are not in control of your financial future and well-being. The first step to achieving financial freedom is to decide if you want to be dependent—or independent.

Being dependent on something or someone places you at the mercy of that person or thing. If you’ve built the foundation of your financial plan on collecting a regular paycheck, you run the risk of your strategy being ruined if a pink slip ever crosses your desk. If you trust you’ll always have money to support your lifestyle because your spouse or partner “has it under control”, then you leave yourself exposed to starting from scratch if you suddenly find yourself alone.

If you choose to be dependent (and the choice is ultimately yours), then keep your fingers crossed and hope and pray that there will be something there for you down the road. If you’ve chosen to put your entire financial life, and your future, into the hands of someone else, then you are the ultimate gambler.

If you decide you do want to be financially-independent, then you must take complete responsibility for your financial state. That means no excuses. You can’t blame the economy or the market. You need to believe that regardless of the situation, you can find a way to make it work. Whether it is becoming more educated, learning from your mistakes, or surrounding yourself with those that can help you, you are in control.

Get Educated About Money and Investing.

As was just suggested, education is one of the best ways to begin taking control of your financial well-being. So, where do you find this financial education?

Traditional schools don’t teach real-world money skills and in fact perpetuate many of the attitudes towards money that keep the poor and middle-class stuck in the rat race. And even if by some stretch of the imagination a traditional school does teach you about investing or entrepreneurship it is typically done in the standard format of the teacher lecturing and the students just regurgitating what they’ve been told—in other words, no practical application or hands-on experience.
Robert and Kim each wrote Rich Dad, Poor Dad and Rich Woman respectively because they wanted to share with the world what they did to go from broke to financially-free. While there are many books, seminars, and online resources that offer a wealth of information on money and investing, not all are created equal. Those that employ an approach of education, action, and accountability—such as those found in Rich Dad Coaching—are typically the most effective educational programs.

At Rich Dad Coaching, we are passionate about people being free—not just financially-free, but free to do what they truly want to do with their lives. Rich Dad Coaching offers a wide variety of coaching programs based on the Rich Dad philosophy that can help you either get started in investing or take your investing to the next level.

**Who do you look to for your financial education?**

Another good rule to help you separate the wheat from the chaff is this: Only learn from people who are actively doing what you want to do. Whether it is investing in real estate, business, oil, gold or silver, only work with people who are in the trenches of that business every single day. Too many investors blindly turn their money over to an advisor or financial planner with the expectation that that person can do a better job at managing and growing their money than they can.

A word of warning: A great many financial planners and advisors are not focused on educating you. They are salespeople with products and services to sell. When talking with a “financial expert,” ask yourself this question, “Am I listening to a true educator or a salesperson?”

Create A Simple Plan.

Ask yourself: What is it that you want to achieve financially? While that question may seem broad, you can keep your plan very simple. As an investor, there are two things you can invest for: cash flow and capital gains. What’s the difference?

**Capital gains**

You buy a share of stock for $20. You later sell that share for $30. The profit you make is called capital gains. Or you buy a property for $50,000. In two years, you sell that property for $75,000. Your profit of $25,000 is capital gains.

**Cash flow**

You buy a share of stock that pays a dividend. You hold that stock and every year you are paid a dividend. That dividend is called cash flow. Or you buy a $50,000 property and decide to rent it. Every month you collect the rent, pay the mortgage and other expenses and—if you’ve managed the property well—you’ll make a profit each month. That profit is called cash flow.

For example, the initial plan for a beginning real estate investor may be as simple as to purchase two rental units per year for ten years. With this plan, an investor would expect to have twenty units and if done wisely, a healthy cash flow. The beauty of set-
ting goals and moving forward on the path you’ve set is that once you’re in motion the journey becomes a bit easier. You buy your first unit…and then your second and third. Soon you’ll realize that investing wasn’t as difficult as you thought it was. Perhaps now, instead of needing ten years to reach your goal, you find yourself achieving it in a fraction of the time.

Create a plan and keep it very simple.

Start Small.

Going hand-in-hand with keeping your plan simple is to start small. With almost everything in life, there is a learning curve. Know that you will make mistakes along the way, so start with small steps. Your first real estate investment might be a small, two-bedroom/one-bath house, but from that small property, you’ll learn the fundamentals of owning and managing a rental property. Consider this, starting out you are almost guaranteed to make a few mistakes. If you start out with a 50-unit apartment building, your mistakes will cost you much more.

One action you can take today is to go to a coin shop and buy a 1-ounce silver coin. Today, it will cost you about US $20.00. You now own a commodity. The beauty of this small investment is that now you can go online every day and check if the price of silver is up or down. You’ll begin to spot articles and news clips on silver. Because you now own silver, both your interest and your education increase dramatically.

Which brings us to the last piece in the formula…

Put A Little Money Down.

At some point, you must take action. You can read all the books you want, attend seminars all day long, research opportunities up one side and down another, but if you don’t put up a little money and get into the game you will never see a change in your financial life.

One simple action you can take is to research various stocks in companies you have an interest in and buy just two or three shares of one company. Your intelligence regarding the stock market will immediately increase if you pay attention to what’s happening with your stock on a daily basis.

Change Your Mindset.

There are a lot of factors to overcome in order to take control of your financial well-being and to change your life for the better. Fear, negative people, hopelessness, and more can sabotage your efforts to move forward. But know that you are not alone. Many investors have gone from having very little to being financially-free.
The key is to just start. Follow the formula above, and you will be amazed at how quickly your financial knowledge increases and how rapidly your financial life begins to transform. And once you’re in motion, your successes will breed more success.

What are you going to do today to start your journey to financial freedom?

**Take Control of your Financial Destiny and Increase Your Cash Flow by Working with a Certified Rich Dad Coach.**

Discover the power of working one-on-one with your own certified Rich Dad Coach to help you invest smarter, build and protect your wealth, and create the cash flow you need to live the life you desire. Remember, Robert’s Rich Dad was his first coach and helped him become successful by teaching him how to make his money work for him — who’s helping you? Get your free introduction to Rich Dad Coaching and learn how a Rich Dad Coach can help you do the same.

To learn more about Rich Dad Coaching, visit [www.RichDadCoaching.com](http://www.RichDadCoaching.com) or call 1-800-240-0434 and mention extension 7906.