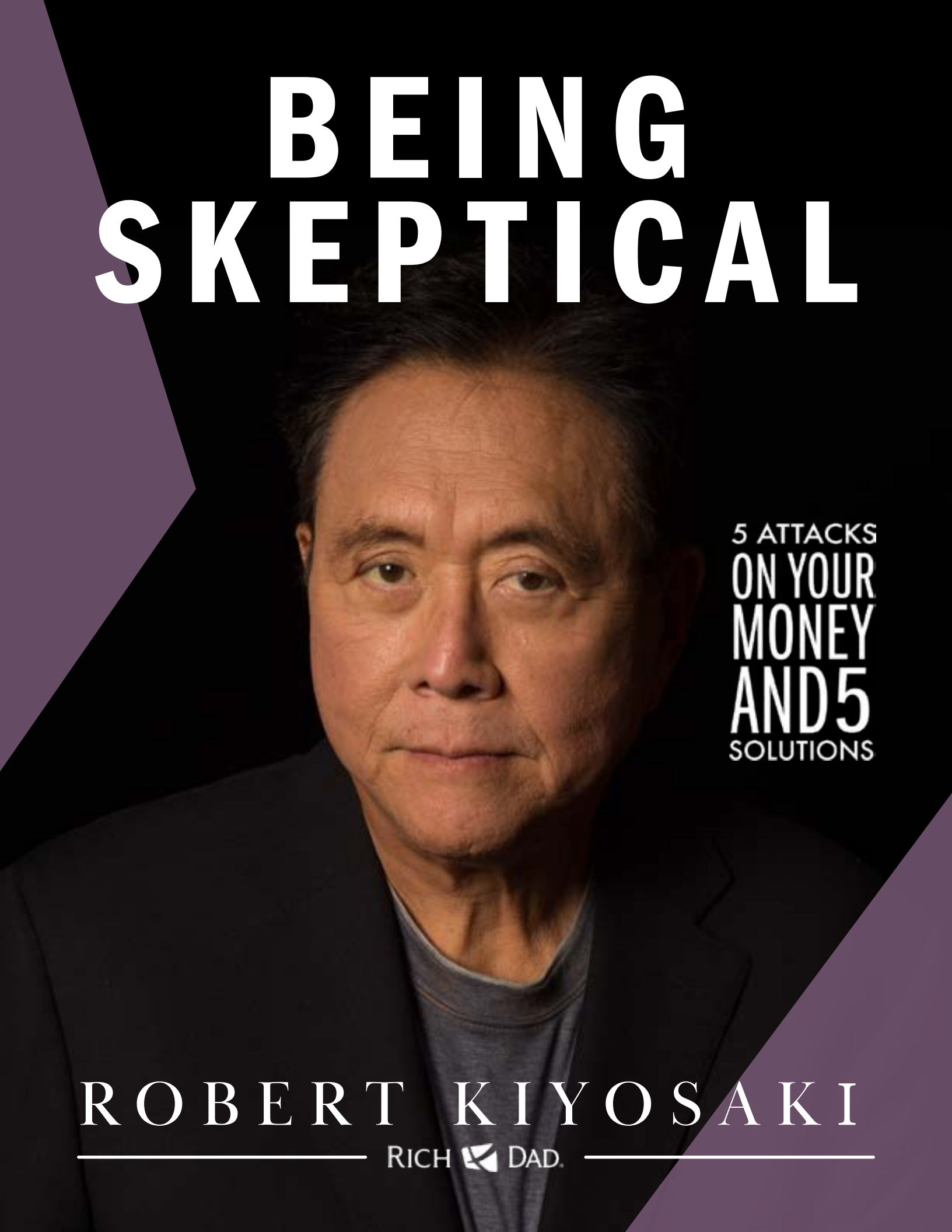
BEING SKEPTICAL



5 ATTACKS ON YOUR MONEY AND 5 SOLUTIONS

ROBERT KIYOSAKI

RICH DAD

Introduction from Rich Dad

We are skeptical of the belief that big, multi-syllabic words make one sound smart. And… we are skeptical of the value of money.

Put those together and you get this book. A simply written book explaining the five attacks on our money… and the look-to-the-future solution at our door.

Rich Dad Co-Founder, Robert Kiyosaki, is the master of taking the complexities of money and making them simple and easy to understand. While he wrote the #1 personal finance book of all-time, *Rich Dad Poor Dad,* he also wrote the best-seller called *Conspiracy of the Rich.*

His insights and skepticism of the government, and its manipulations of our money, are explained so simply and clearly in the following pages that we think you will undoubtedly understand how the system is rigged against you.

Understanding the problem does not do anything but make one angry and vengeful. Robert then does something no one else does…

He shows you how to take the very system—designed to steal your money and your spirit—and make it profitable for you. In many ancient tales, the genie takes wishes and makes them come true by devious means that make the wisher regret their wish.

Our government does the same thing. But in doing so, the rich get richer and the poor get poorer.

That's okay! We have our own genie. We'll take the same actions the government does to rig the system against us and use those same actions to make ourselves successful and wealthy.

Skeptical? Good.

Let us prove it to you in this book.

Introduction from Robert Kiyosaki

Here's a stupid question, *What is money?*

Most people will tell you it's a dollar or a digital transaction representing dollars. They believe that money is a tool of exchange. They are, of course, right in one respect. But if it only has value when it is being used or exchanged, it really is not money – it's currency.

You're feeling skeptical.

Currency must flow, just like a current (hence the name). It does not have actual value; it merely represents value. The paper that is used to print a dollar on is not actually worth a dollar. The paper does not have the value, it simply represents the value. It is not money because it holds no individual value.

To take it a step further, dollars are actually the OPPOSITE of value. Dollars are debt.

I feel your skepticism again.

Let me make it clearer: a dollar is a PROMISE to pay back debt. The U.S. is over a trillion dollars in debt. A trillion is 1 followed by 12 zeroes. It's a thousand billion. A trillion seconds is 32,000 years. A stack of $1 bills would be 68,000 miles high. So how do we pay back such monumental debt?

Taxes. It's painful, but it's obvious. So, the dollar is the PROMISE of the U.S. government to pay back over a trillion dollars of debt through taxing its citizens. And, to kick you while you are down, the debt is still growing.

It is obvious. The dollar is actually debt.

What is less obvious is that debt will also be a solution.

Robert Kiyosake

Heist

FIGHT BACK AND STOP the Governments and Banks from stealing your money

THE SIMPLE DEFINITIONS OF THE WORD HEIST ARE:

NOUN: a robbery **VERB:** steal

In this book, I am using the word heist in connection with institutions we trust and hold sacred… institutions that are at the core of our culture. And I'll be accusing our schools, banks, legal system, government, politicians, and military of a "gross universal cash heist."

The Education Heist

ASK YOURSELF THIS: *who controls education, and who determines what is taught in our schools?*

In 1903, John D. Rockefeller created The General Education Board. There was much controversy about why he created this organization. Some people say he created it to improve education. Others say he did so to hijack the educational system of the United States.

While *heist* and *hijack* are not the same words, they have similar meanings.

Around the same time, another of the Robber Barons, Andrew Carnegie, promoted his Foundation for the Advancement of Teaching. It seems both Rockefeller and Carnegie were working to influence the American educational agenda to direct what students were taught in school.

THE QUESTION IS,
What was their agenda?

While some people will say Rockefeller and Carnegie were working for the good of our children, others say exacly the opposite. In my search, I came across reports written 60 to 100 years ago—inflammatory reports from credible people—reports that were hard to believe. What they accused Rockefeller and Carnegie of orchestrating, and the words they used, are best not repeated.

Today, looking back on those reports with decades of hindsight, there does seem to be some validity to their concerns. Those most critical of Rockefeller and Carnegie accused them of wanting to break the American spirit—and using the education system to do so.

Americans are individuals who left their countries of birth for freedom from oppression and for the opportunity of a better life—a shot at the American Dream. This made the DNA of Americans too strong, too independent, and too ambitious to be subservient to the rich and powerful.

Those critical of Carnegie and Rockefeller believed that before the rich and powerful—people like Rockefeller and Carnegie—could gain further control over Americans and the wealth of America, the American spirit had to first be weakened, that Americans had to be made dependent upon the government for financial support.

This why there is no financial education in our schools.

Rockefeller's General Education Board proclaimed that they were taking young people out of the Agrarian Age and training them for the Industrial Age. And they did do that.

But they did something else, too. We no longer looked to our parents for as a source for learning. We began to look to the government for our education. We stopped being small entrepreneurs, like farmers and store shop owners, we instead, became employees for big entrepreneurs.

We gave the government the keys to our minds and to our futures.

This opened the door for further reliance on the government and a greater weakening of our spirit.

In 1935, President Franklin D. Roosevelt introduced Social Security during the height of the Great Depression. Today, Social Security, Medicare, Food Stamps, and now Obamacare, are part of the DNA of the American culture. It seems that more and more Americans today cannot survive without these government programs.

We've stopped taking care of our elders, our health, and our own retirement. The government does that. We can no longer challenge our government because we are too dependent on them. We can no longer challenge our government because we can no longer think for ourselves.

If you look at what's going on in America and the world today, it's not hard to see that Americans are becoming more dependent upon their government for life support. America today is less of a democracy and more of an oligarchy.

It is a country with a few extremely rich, powerful people—with a growing gap between them and everyone else. In many ways, America is becoming more like modern-day Russia—a land of oligarchs—than the democratic America our founders envisioned.

Whether or not you believe Rockefeller and Carnegie were working for good or evil, research validates the reality of the ultra-rich and powerful—the oligarchs taking control of important institutions.

Now let me show you why the schools don't teach anything *real* about money in schools.

The Bank Heist

Like education, saving money is held as sacred. Going to the bank to save money is a bit like going to church and leaving behind an offering to the financial gods.

Without financial education, how would the average person know that the banks steal their wealth via their savings? They wouldn't.

A saver's wealth is heisted through a banking mechanism known as the Fractional Reserve System. The concept of fractional reserve banking is thousands of years old. Why it isn't taught in school is no mystery to me. It's the way banks make money... and it's not pretty.

Thousands of years ago, when a merchant wanted to travel across the country, they would deposit their gold and silver with a "banker" for safekeeping. The banker would then issue a "claim" for that gold and silver on a piece of paper.

The merchant would travel from his home to a far away city, buy goods, and pay for them with the piece of paper called a "claim." The seller of the goods would then go to his bank and could "claim" the payment in gold or he could simply use the "claim" and buy something else. Bankers soon realized that people liked the "claim" because it was more convenient to carry than gold or silver and easier to use in day-to-day transactions.

It was not long before bankers were "printing claims" and "lending claims" to borrowers who wanted money. Things worked well as long as the owners of the gold and silver did not want their gold and silver back.

If and when the owners realized that their banker was lending out more "claims" to their gold and silver than they'd deposited, then a "run on the bank" occurred. A "run on the bank" happens when the true owners no longer trust their banker and turn in their "claims" for the return of their gold and silver.

If the banker has more "claims" than actual gold or silver, then the bank collapses and savers become losers.

This is why the Fractional Reserve System was created. Simply put, a bank can only lend out a specified "fraction" of the money that's in its vaults, meaning there are specific limits to the amounts they can lend.

To keep things simple, let's use a fractional reserve of 10. This means that if you deposit $10 into your savings account, the bank can lend out $100 (or 10 times your $10) to people who want to borrow money. If the fractional reserve is 10, the bank can lend your $10 ten times. And the $100 in loans made by the bank is an asset for the bank.

Let's be generous and say that the bank pays you 5% interest on your savings.

When the banks lend that money, they will charge between 10% and 50% for letting qualified and high-risk borrowers "use" your money.

That means the bank pays you:

Your $10 at 5% interest = 50¢ for one year
Let's say the bank charges 10% interest on the $100 (your $10 x 10) it loans: $100 x 10% = $10

So the bank pays you 50¢ and they are paid $10 on your $10. It's not bad that the bank makes money. What is bad is that they do so by creating money out of thin air through this fractional reserve. The more money in the world, the less valuable money becomes.

The fractional reserve system devalues the value of your savings. Your $10 now purchases less because your $10 is now $100 in the economy. It's called inflation.

Your $10 in the bank is now $10.50. Until you factor in inflation, which makes the value of your $10.50 worth only $9.75. So your $10.50 now buys less than it could before you put your $10 in the bank. As inflation rises, your money becomes less valuable so it buys less.

Inflation is good for debtors and bad for savers, which is why savers are losers. Inflation is why life is harder for millions of people today because life becomes more expensive.

Unfortunately for the poor and the middleclass, the entire modern monetary system is based upon inflation, which the banks, and governments want.

It sounds counterintuitive, but when you realize that inflation allows debtors to pay back their debts with cheaper dollars, it makes sense. Sure, the bank paid you your $10 back, but it was worth less than when they "borrowed" it from you.

I say "borrowed" because they did not tell you they were borrowing your money. They told you it was being put in savings.

Remember that last paragraph. People and businesses that use debt pay their debts back cheaper than what they borrowed. This depends, of course, on the interest rate of the debt, but the way our world is setup now, using debt can be the fastest way to grow wealth, while saving money could be a slow way to the poor house.

There is another consequence to this banking system. Because fractional banking causes inflation, the world's reaction is to spend, spend, spend before the money becomes worth even less.

Consumers spend money faster since they expect prices to go higher. For example, if a person thinks that cars will be 10% higher next year, they will buy a car *this* year. But if they expect the same car to be 10% less next year, they'll likely wait until *next* year.

You might think this would drive people to invest their money. It doesn't. Remember that schools don't teach how to invest. And government programs like Social Security, Medicare, and Obamacare have convinced people that they don't need to.

To make it even worse, or to make the snowball grow even faster, those who do invest only know one way of investing: buy low and sell high. To prove this point, I give you the example of flipping homes.

Many will buy a house this year hoping to flip it next year. The same is true with stocks and precious metals. Rather than have a stable, growing, and productive economy, we have an economy of speculators and gamblers.

People who "flip houses" or "trade stocks" add little value to the economy. While they make some money, "flippers" actually make life harder and more expensive for others.

A person who buys a house for $100,000 then flips it for $120,000 while doing little or nothing to improve the property, has added little to the economy, except to make life more

expensive. The same is true for a person who buys a stock for $10 and sells it for $15 two days later. They have done little for the economy.

That's what happens when you have an economy that grows on inflation rather than on production. Savers become losers and life becomes harder because things become more expensive. Inflation motivates people to become consumers rather than investors. They eat, drink, and shop today because prices may be higher tomorrow.

When people wonder why the gap between the rich and everyone else is growing, some of the blame can be placed on our banks, the fractional reserve system, and of course, the lack of investing in our schools… schools that actually encourage students to save money.

The Tax Heist

Many people believe that paying taxes is being patriotic. Yet if you study American history, you'll learn that the American Revolution began in 1773 as a tax protest called the Boston Tea Party. For years, America was pretty much a tax-free or low-tax nation.

During World War II, the U.S. government passed the Current Tax Payment Act of 1943 because it needed money to fight the war. Before that, it had to wait for people to pay their taxes, so the Act solved that problem.

This allowed the government to get paid *before* workers did. It also allowed the rich to put their hands directly into workers' pockets. Today, it's a giant, ongoing cash heist that gets bigger and bigger as the government gets needier and the rich get greedier.

Remember, the entitlement mentality did not start with the poor. The entitlement mentality started at the top – with Rockefeller and Carnegie, and their plan to heist our wealth through the banks, the government, and taxes.

The 1943 Current Tax Payment Act gave rise to the military-industrial complex that former general, and outgoing president, Dwight D. Eisenhower warned everyone about in 1961. In 1943, with tax dollars now pouring into the government on a monthly basis, the military-industrial complex could declare war forever.

The Cold War began and trillions of tax dollars went into producing weapons of mass destruction.

Obviously, the ultra-controlling rich and their friends profit greatly from war and the fear of war. All they have to do is use the media machine to whip up a potential threat from Iraq, North Korea, Russia, the Taliban, Al Qaeda, or ISIS (Islamic State) and U.S. taxpayers feel that paying taxes is being patriotic.

We will always be at war because war is profitable. For centuries, war is how nations have stolen the wealth of other nations. War is a giant cash heist on many levels… on people through blood, sweat, and taxes on both sides of the war, real or perceived.

So let's look at who actually pays the taxes. We always hear the rich need to be taxed more and every couple of years, they are. While that sounds fair, it's really just part of the machine. Employees get taxed the highest percentage. Then small business owners. Then big business owners. And finally, the passive investor.

When the "rich" get taxed higher, it is not the ultra-rich. It is not the controlling rich. It is the rich employees and the rich small businessmen. It is the CEO's and officers of a company. It is the doctors and lawyers. It is NOT the ultra-rich who own nearly everything. They often pay little to no taxes. Any they do so legally.

The Bailout Heist

Bailouts are another method the ultra-controlling rich use to heist our wealth. Make no mistake: bailouts are not accidents. The ultra-controlling rich designed bailouts into the system.

In 2008, when the bailout of the biggest U.S. banks began, many people thought "bailouts" were something new – an emergency procedure to save the economy. Nothing could be further from the truth. Bailouts allow banks to lend money to friends and family members of the ultra-controlling rich. If "friends and family" lose the money, they don't pick up that tab – taxpayers do.

Bailouts protect the ultra-controlling rich. The biggest banks aren't held accountable and do not have to pay for their mistakes. If you and I make financial mistakes, we suffer the consequences to the point of bankruptcy, imprisonment or losing everything.

During the 1980s, there were the S&L (Savings and Loan) bailouts. One of the more interesting was that of Silverado Savings and Loan. Neil Bush—another son of former president George H.W. and Barbara Bush—was a member of the board of directors of Silverado Savings and Loan. Since his father was Vice-President of the United States at the time, Neil's role in Silverado's failure was a focal point of media attention.

The U.S. Office of Thrift Supervision investigated Silverado's failure and determined that Bush had engaged in numerous "unsafe and unsound practices and breaches of his fiduciary duties involving multiple conflicts of interest."

"Breaches of his fiduciary duties involving multiple conflicts of interest" means the bank violated its responsibilities to its customers (savers) and made loans to Bush's friends for businesses in which he had an interest.

Although Bush was not indicted on criminal charges, a civil action was brought against him and the other Silverado directors by the Federal Deposit Insurance Corporation (FDIC). The parties reached an out-of-court settlement, with Bush paying $50,000 as part of the settlement. *Silverado's collapse cost taxpayers $1 billion.*

Once again, the ultra-rich and the powerful win… and taxpayers lose.

In 2012, Hostess Brands, makers of Wonder Bread and Twinkies—an iconic crème-filled sponge-cake snack—went out of business.

The retirement fund for the Hostess truck drivers was also in trouble. The company could not make retirement payments to their drivers.

In 2013, President Obama approved a "bailout" of the drivers' pension plan. While many hailed this as benevolent, decent, and necessary to protect the drivers, the question is: *who did Obama really bailout?* The drivers or the Ottenberg family – owners of a 140-year-old bakery business?

When the company went down, it meant the Ottenberg family would be the only contributors to the pension plan. If that happened, they would eventually go bust.

Since the ultra-rich control the 4 Ms—*military, money, minds, and media*—most of the popular media report on only one side of the coin or the story. In this case, the bailout of the drivers. Rarely will you see a news report that delivers two or more sides.

Remember that the entitlement mentality starts at the top, not the bottom. This is why the ultra-rich want the public to believe these bailouts are good for the everyday person—"Joe the plumber" —not the ultra-rich.

People who are uneducated financially do not ask tough questions. All they hear is what they want to believe – and most want to believe the government is there to protect them. In reality, the government exists to protect the rich. That is why the Federal Reserve Bank bailed out the banks, not the home-owners.

The money the Federal Reserve printed were to bailout the banks and were not going into circulation. By 2014, the big banks were flush with cash, but they were not lending that money to small businesses or "Joe the Plumber." Again, Bernanke bailed out the big banks, not the homeowners whose jobs, homes, wealth, and futures were stolen.

One point of note here is that when President Obama bailed out a pension, it opened the door to bailing out *all* pensions. I can't even begin to calculate the dollars needed to fill that slippery slope.

The Dollar Heist

The dollar heist is the act of making the dollar worthless at its core foundation. In the past, the dollar was backed by gold. This meant that for every dollar in circulation, the U.S. government had its equivalent amount in *physical* gold stored in reserve.

President Richard Nixon changed all of that, and in doing so, did a lot to contribute to today's financial crisis.

1971: Nixon took the U.S. dollar off the gold standard. This hurt the poor, the elderly, and anyone on fixed incomes because now that the dollar was no longer anchored to gold, there was nothing keeping it from losing its value to inflation. When you live on a set amount of dollars that never changes, and the dollar loses its value, you can be in a very dangerous position.

Initially, taking the dollar off the gold standard caused a massive boom in the global economy. Even the middle-class *millionaire-next-door* got rich through pay raises, rising home values, and soaring retirement portfolios. At the time, the middle class celebrated as they became "rich" with worthless paper.

1972: Nixon traveled to China and opened the trade doors between the two nations. This was good for factory owners who moved their production to China. It was bad for American workers who now had to compete with a low-wage Chinese labor force. Now, Nixon's plan was beginning to hurt the American middle class.

1974: President Nixon resigned in disgrace on August 8 over his involvement in the Watergate Scandal.

A few days later, on September 2,1974, ERISA—the Employee Retirement Income Security Act—was signed into law by President Gerald Ford, who had just replaced Nixon. ERISA morphed into the popular 401(k) plans that many U.S. employees now subscribe to.

This meant that businesses no longer had to care for their employees after they retired. It also meant that there would forever be money flowing into Wall Street from the middle-class. This benefited the controlling rich in two ways:

- The rich no longer had to pay for their retired employees. The elderly were left to fend for themselves.
- The middle-class was now sending all of their money to the ultra-rich through the 401(k) mechanism.

If you look at the 401(k) plans, you wonder how anyone can retire on it. It's a very simple machine: it takes money from the working class and funnels it to the financial institutions (also known as the controlling rich). They *legally* keep a huge chunk of the accounts' earnings and don't hide it. Why would they? What other choices does the public have?

ERISA made promises of a good life after retirement. The reality is that the majority of people will not have enough money to retire on with the standard of living that they are used to.

Look closely at the titles of many government acts, such as the Affordable Care Act. Oftentimes they are exactly the opposite of what the title implies. Specifically, we're learning that the Affordable Care Act actually made health insurance more expensive for many workers. And with ERISA, the security of an employee's retirement income became much less secure.

SOLUTIONS

Don't Fight the System

In the end, it's not the government that has the power. It's the Fed and the ultra-rich banks. The boom and bust cycle will continue as it always has since Nixon took the dollar off the gold standard in 1971.

This is why I say it's pointless to fight the system. Instead, you need to learn to play by the rules of the rich – learn to use their same system and use debt to invest. All five of my solutions fall within the rules. They are all legal, moral, and ethical.

You cannot expect the government to bail you out. They only do that for powerful banks and corporations... using your money to do it. Counting on the government and regulations to save you and the country sets you up for disappointment and failure.

One way to win is by educating yourself about money, by taking control of your financial future, and by learning to invest with debt. Only then will you be able to prosper.

The game is always tilted in favor of the rich and powerful. But you can choose to play by their exact same rules and prosper by understanding how the world and money works.

Now let's dig into the actual solutions.

You'll need an open mind here. I laid out the problems above, but people become negative easily. Worse, they have an unfortunate tendency to accept negative situations far more easily than potential solutions – perhaps in the mistaken belief that it's better to go with the devil they know than the one they don't.

Another reason for accepting such negative situations is that it allows a person to do nothing. When a good solution is presented—one that could improve lives—then there is no excuse not to act and in fact action is required. The few excuses left for inaction are not flattering, such as:

- I'm too lazy.
- I'm not smart enough (this one is so frustrating because nothing I do requires genius or I would not be able to do it).
- I'm too comfortable.

None of those excuses are how anyone should want to see themselves.

I'm not going to tell you exactly what to do – only open your mind to possibilities and to opportunities.

I repeat: the biggest, possibly most important heist is the dollar heist. I say this because money affects every area of your life. For this reason, I am going to offer you two solutions.

I am also going to present the dollar solutions last so they do not distract from the other solutions.

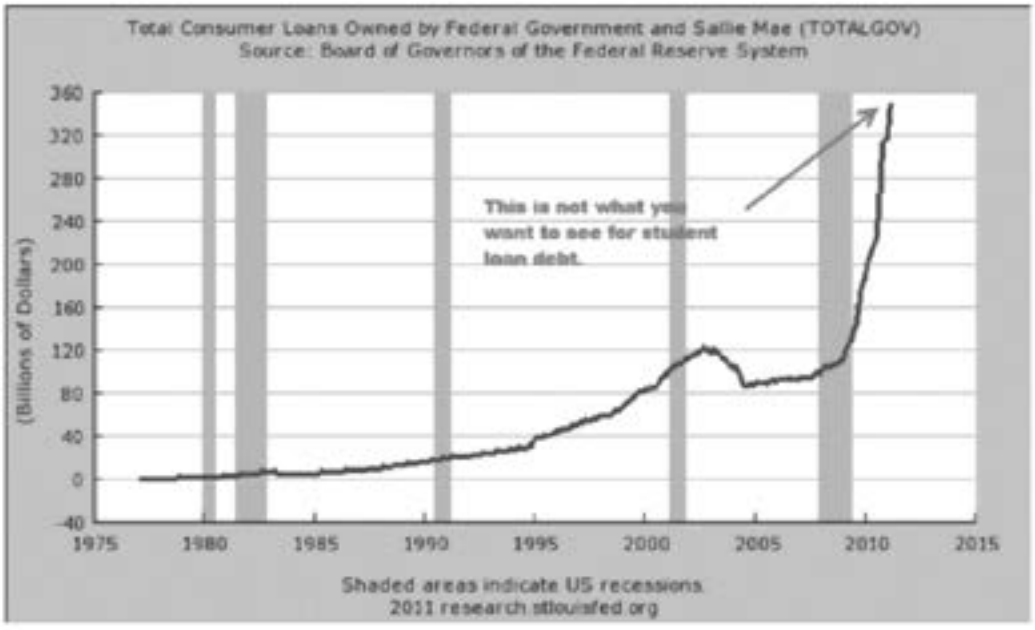
With all that in mind, let's go.

Solution #1
Education Heist

The Best Teacher in the World: Most people look to others as their greatest teachers. The rich look to failure.

What did school teach you about money? For most people, the answer is "nothing." Most teachers are great people. But our educational system is broken, obsolete, and fails to prepare students for the real world.

Instead of guiding students into the light, our education system is leading millions of young people into financial darkness and the worst type of debt: student loan debt.



Student loan debt is over $1.53 trillion and is the number one asset of the U.S. government. In the criminal world, this is called extortion.

Worse yet, what these teachers teach is false and damaging—such as the merits of going to a good school, getting a good job, buying a house, saving money, as well as investing in a balanced portfolio of stocks, bonds, and mutual funds. All fake financial truths.

After graduation, there's a whole industry of gurus, advisors, and brokers who reinforce these fake financial truths while getting rich along the way. So what is the solution? How do you overcome fake teachers?

I learned two ways:

- Through coaches. Mentors and instructors that actually DO what they teach. They don't teach theory; they share experience.
- I take action and I learn from my mistakes. Mistakes are great teachers.

1K

One of the biggest reasons so many people today struggle financially is because they were exposed to fake teachers.

I discovered this at a young age when I moved to the rich side of Hilo, Hawaii.

The first thing I noticed about my new classmates was that they were rich. While they were friendly and welcoming, I knew they were richer than me because most had new bicycles, they lived in big homes on a private island, their parents belonged to the yacht club and the country club, and they had vacation homes either at the beach or on their ranches in the mountains.

I had a used bicycle that my dad bought for $5. I did not know what a yacht club or a country club was. Our family

lived in an older house that we rented two blocks from my new school, next to the Hilo Library. The land our home was built on is a parking lot today.

I had never felt poor until I went to a school with rich kids. That's why, when I was nine years old, I raised my hand and asked my teacher, "When will we learn about money?"

She just looked at me, stammered, and said, "We don't teach money in school."

Later, when I talked to my dad— the head of the Hawaii school system—he said, "Son, never ask a teacher a question he or she cannot answer. Teachers must know all the answers. They are not trained to say, 'I don't know.' You embarrassed her."

He also said, "The main reason money is not taught in school is because teachers can only teach what the government allows us to teach."

His advice to me was that if I wanted to learn about money, I should ask my friend Mike's dad, who was an entrepreneur. Mike's dad became my rich dad. It was the best advice my poor dad ever gave me.

The Difference Between Fake and Real Teachers

After I was done with my tours of duty in Vietnam, my poor dad encouraged me to get my masters and my PhD. So I enrolled in an executive MBA class. One of my classes was accounting.

In the classroom, I was not enjoying the MBA program. I felt like I was back in high school. One night, my frustration hit a boiling point.
"Have you ever been a real accountant?" I asked the accounting teacher.

"Yes," he replied. "I have a degree in accounting."

"That is not what I am asking you," I said tersely. "I know you have a degree in accounting, but have you ever been a real accountant... in the real world?"

After an extended pause, the teacher admitted, "No, I haven't. I am a graduate assistant. I have a bachelor's degree in accounting. I am going for my master's."

"I can tell you don't know what you're talking about. You're teaching from a textbook, not real life."

I had been working with my rich dad as an apprentice and I could see the difference between a fake teacher and a practitioner.

In stark contrast, at around the same time, I attended a seminar on real estate investing that lasted three days and cost $385. I could tell the person teaching the seminar was the real deal. He was not trying to sell us anything. He was simply running us through the many deals he did, what he'd learned, and how we could apply those lessons to our own real estate investing.

At the end of the three days he said, “Ok, now the class is just beginning.”

Confused, we asked how the end could be the beginning.

He replied, “Because putting this knowledge into practice in real life is where you will really learn. I want you to evaluate 100 properties in 90 days. Write a one-page analysis on each, and by the end, you will know which you should go after.”
I did this, found a property I could buy with no money down, and made $25 a month in cash flow. I cancelled my MBA classes and never looked back.

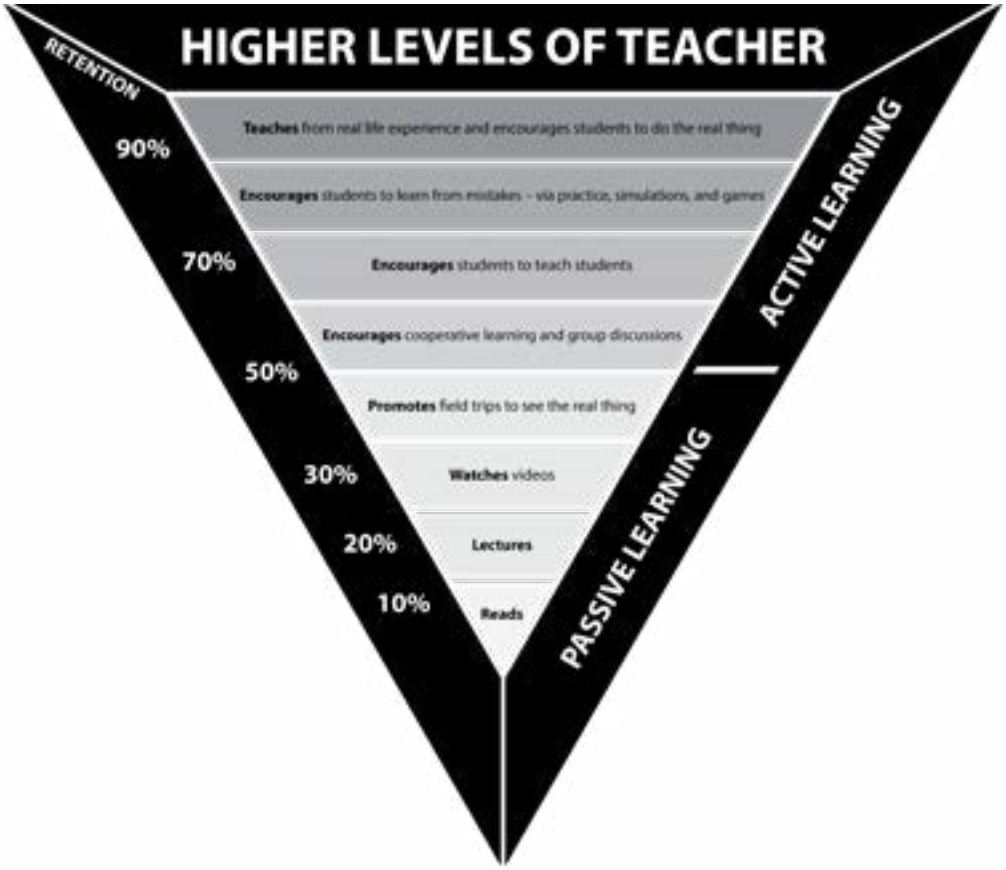
Your Greatest Teacher Ever

While my first foray into real estate investing was a success, I wish I could say that everything I did in business and investing was likewise. Instead, I made a lot of mistakes – including leveraging my father’s home for $100,000 that I immediately lost to a crook.

It was through these failures and mistakes, however, that I learned the most and grew the most. In fact, failure was my greatest teacher, and it will be yours, as well. This is why one of my favorite murals ever is this one at the famous advertising firm, Wieden + Kennedy, which reads, “Fail Harder.”

Through my failures, I finally understood what the real teacher at my real estate seminar was saying about the classroom being just the beginning. He was right – you learn most from experience and doing, especially from your failures, than from merely reading, watching, and listening.

Fake Teachers Teach Via Lecture and Books – Real Life is a Classroom



Real teachers teach from real-life experience, from their mistakes, and encourage you to do the same. Mistakes are the key to success. Thomas Edison changed the world by making mistakes. He reported failing 3,000 times before inventing the electric lightbulb. Henry Ford went bankrupt before his Ford Motor Company became a success. And Jeff Bezos' Amazon-offshoot, zShops, failed.

Larry Ellison struggled for years, was on the verge of bankruptcy and mortgaging everything, before Oracle took off. Fred Smith received a failing grade in business school for his business plan, which today is FedEx.

Colonel Sanders had to reinvent himself many times, and found himself broke at age 65, before KFC succeeded.

Two Sides of the Coin

Of course, most people do not believe this. There are always two sides of the coin, and they see only one side.

In today's dysfunctional society, the temptation is to:

- **Pretend to never make mistakes.** People like to pretend they are perfect. These people treat mistakes like cats covering up their mess in a kitty litter, pretending their kitty litter is always clean.
- **Lie.** I remember President Bill Clinton saying, "I did not have sexual relations with that woman." Having sex is not a crime, but lying under oath in court is. And on December 19, 1998, he was impeached for doing just that.
- **Make excuses.** Excuses are like air fresheners – although the bathroom may smell good, you can still smell the lie.
- **Blame.** It's really made up of two words: "be" and "lame." Someone who blames is a wimp – not willing to take responsibility and learn.
- **Go to court.** Sue the person who caught you lying to detract blame from yourself and keep the lie going for years. This happened to me twice. I was sued after discovering people I trusted were cheating, lying, and stealing.
- **Go big or go home.** Rather than cut their losses, people will double down or "bet the ranch," hoping to win back all their losses. They go big and most go home broke.

The rich do not do this. Those who learn from the greatest teachers—failure and mistakes—grow to embrace the antidote to each of these.

As one of the greatest teachers I ever sat under, R. Buckminster Fuller, said, "Mistakes are great—the more I make, the smarter I get."

The most important thing I can do is encourage you to make your own mistakes and learn from them.

Solution #2
Bank Heist, a.k.a. Inflation

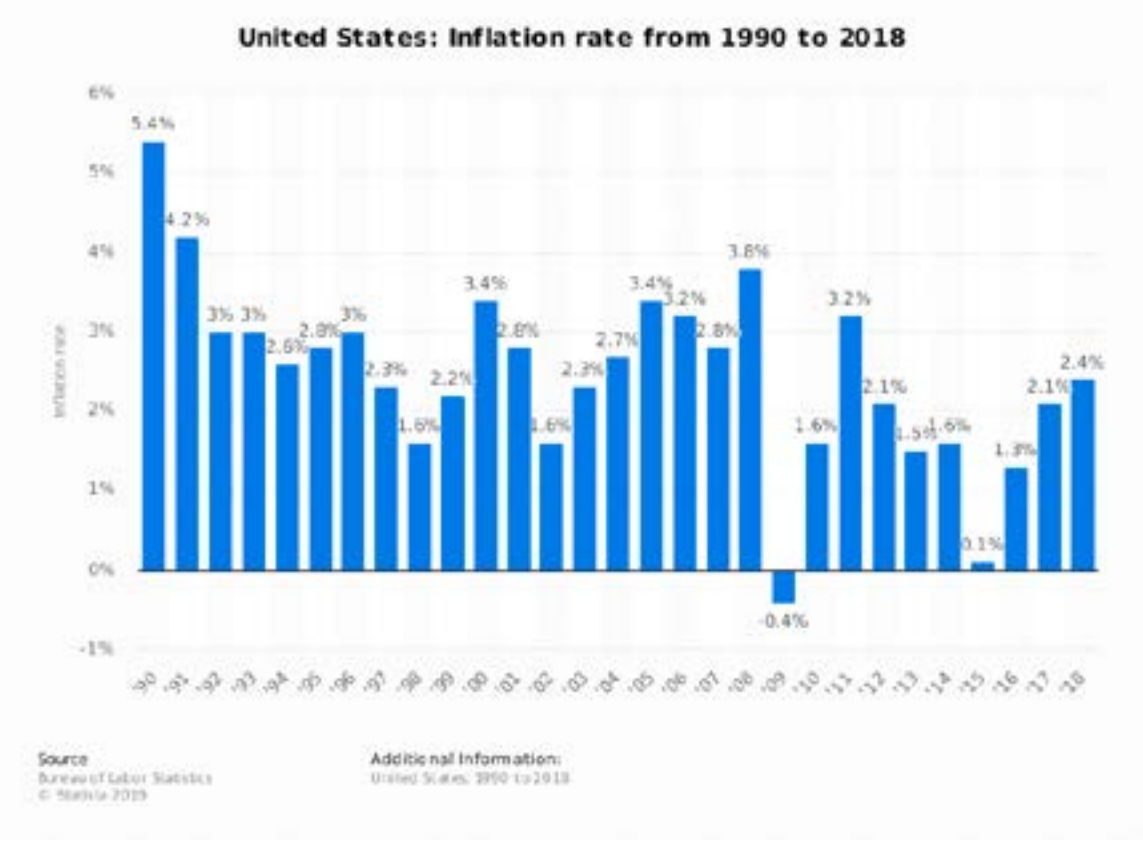
How to Invest in an Inflationary Economy – a True Look at Recent Inflation and What it Means for You

After the last financial crisis, the US government began a program of quantitative easing (QE) – aka printing money. As a refresher, QE is when the Fed bolsters its balance sheet by buying treasuries to keep interest rates low. It's as if you or I started printing our own dollars to pay off our credit cards.

At the time, I wrote about the dangers of inflation this would cause. Almost everyone expected the inflation to be consumer inflation – when the price of goods goes up, sometimes rapidly. After all, you can't pump dollars into the economy through artificially low interest rates without those dollars flowing into goods and raising prices. It's pretty simple economics.

The Official Inflation Stance

Yet according to the official measurements of inflation, there hasn't been much consumer inflation. As you can see from this chart by Statista, it's actually historically lower.



How can this be?

The first thing to explain is that inflation *is* happening. It's just not readily apparent because of the way the US government measures it.

As the old saying goes, "There are three kinds of lies: lies, damn lies, and statistics." What does this mean?

Simply that governments can use statistics to tell any story they want by manipulating the numbers. In this case, since 1990, it's been clear that the government wants to tell the story that inflation is low.

A Different Look at Inflation

Traditionally, inflation was measured by a fixed basket of goods, period after period. This basket of goods was an agreed upon basket of what it would take to have a good standard of living.

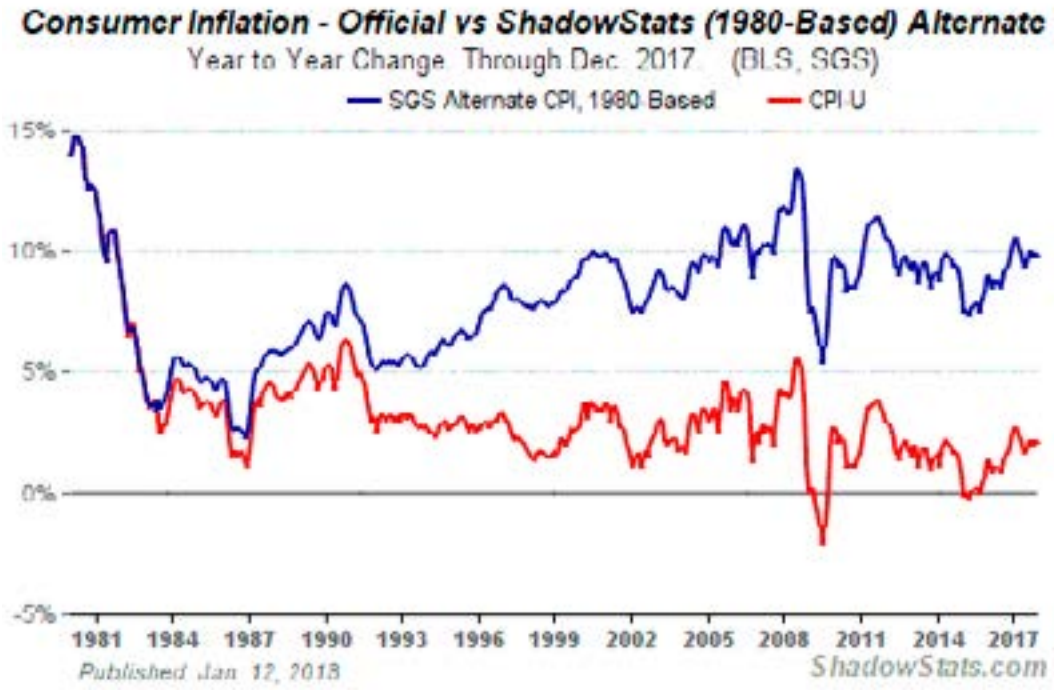
According to shadowstats.com, that formula was changed in 1990 to match a popular academic concept called "constant level of satisfaction" as a "true cost of living concept."

> *The general argument was that changing relative costs of goods would result in consumer substitution of less-expensive goods for more-expensive goods. Allowing for a substitution of goods within the formerly fixed-basket, the maximization of the "utility" of money held by consumers would allow attainment of "constant level of satisfaction" for the consumer. This type of inflation-measure is more appropriate for the GDP concept—where it is used today—measuring shifting weightings with actual consumption, rather than with the fixed weightings needed to assess the costs of maintaining a constant standard of living.*

In simple terms, the statisticians made the assumption that if you were buying steak, you would switch to a less expensive hamburger if the price went up. This allowed the government to constantly switch the goods in the basket in order to manipulate the inflation rate to a lower one, rather than to track the same goods each period.

Why would they do this? Shadowstats.com gets into the details, but basically, it was a way for the government to save money by, for instance, not having to increase Social Security payouts to match true inflation.

Comparing the 1980 measurement method against the1990 method, it's easy to see why.



Looking at this chart, you can see that inflation over the last couple of years has been hovering at around 10% – among the highest it's been since the 1980s when the calculation was changed. Of course, you don't really need to be told this. Almost everyone I know feels that prices have gone up for pretty basic things. But outside the argument of how to calculate inflation, there is another indicator that this flow of cash from QE has resulted in significant inflation, and that is asset inflation.

Measuring Inflation by Asset Prices

According to Bloomberg Opinion, "Quantitative easing, which saw major central banks buying government bonds outright and quadrupling their balance sheets since 2008 to $15 trillion, has boosted asset prices across the board."

The article goes on to state that, "From 2008 to 2015, the nominal value of the global stock of investable assets has increased by about 40 percent to over $500 trillion from over $350 trillion. Yet the real assets behind these numbers changed little, reflecting, in effect, the asset-inflationary nature of quantitative easing."

Because assets are not tracked in a basket of goods, it becomes easy to look at them objectively and see their inflationary results – especially when compared to things like earnings. In this case, the stock market has skyrocketed, but the companies represented on the stock market have not shown an equivalent performance to justify such rapid and record growth. Currently, the price to value ratio for stocks is about 60% higher than average, but there are plenty of people who want to use statistics to suppress that, too.

What High Inflation Means for You

Establishing that inflation is indeed high, the question becomes: what does it mean for you and what should you do about it?

First, it's important to understand that inflation can make you poorer. For instance, employees are hurt by inflation because they can only sell their time, and time generally does not hedge against inflation well. Raises, if they come at all, generally come on an annual basis after inflation, not *with* it. And when inflation is underreported, raises hardly come at all.

Additionally, people who are deep in credit card debt or who have interest ARM loans, are hurt because the Fed generally raises interest rates to combat inflation. Much bad debt is based on adjustable interest rates that go up during times of inflation, making debt payments more expensive. Some of you are probably experiencing this right now.

Finally, people who play by the old rules of money are hurt by inflation because they believe it is wise and prudent to save money in the bank. But the bank is smart, not dumb, because it plays by the *new* rules of money. They pay interest on money that doesn't keep up with inflation. Money loses purchasing power as the bank uses your money to make more money.

Using Inflation to Get Richer

The good news is that inflation doesn't have to make you poorer. In fact, you can use it to get richer. I use a very simple formula to get richer from inflation: leverage and hedging.

I do this by playing the bank's game. I borrow money from the bank at a fixed rate, buy a cash flowing asset that covers the debt payment, and use less of my own money to increase my return on investment.

In an inflationary economy, if the debt payment is fixed, it becomes less of a cost as the dollar loses purchasing power, and my investments and income grows.

The reason my investments and income grow is because I purchase assets that hedge against inflation. For instance, in inflationary economies, rents generally rise. When I purchase investment property, the debt payment stays the same while my rents rise due to inflation. This creates more cash flow. I owe the bank only the agreed payment. The rising costs for rent flow straight into my pocket.

The same thing happens for businesses. As the cost of goods rise for consumers, businesses can adjust their pricing and benefit from inflation.

This works because business owners and investors aren't selling time. They're selling products that hedge against inflation. They are in control. Employees aren't in control of their product—time—nor are they in control of their money (the bank or mutual fund is).

One other thing I do to hedge against inflation is invest in commodities. Generally, that has been oil, gold, and silver. These are great investments when there is inflation. They're not so great when there's deflation.
Therefore, while I believe they are good investments for me, they're not good investments for everyone – especially those who are still learning about the economy and investing, those who may not be able to react quickly to changing economic conditions.

At the end of the day, what I've been preaching all along—invest for cash flow—is the safest and soundest strategy that will serve you well in an inflationary economy. It's a sure way to grow richer.

Solution #3
Tax Heist

Do What the Tax Code Wants and Why the Right Kinds of Rich People Get Rewarded with Tax Breaks

When I was a young boy, my rich dad told me, "You can make a lot of money and still not be rich."

By this, he meant that you could have a high income but also low financial intelligence. Many high earners lose their money to two things: taxes and expensive liabilities – like fancy cars, long vacations, and McMansions.

Back in 2010, I wrote about a Fortune Magazine article entitled "Why the 'Rich' aren't Feeling So Rich." The article covered the term its author had coined, "HENRY" – which stands for "High Earners, Not Rich Yet." As I wrote then, "What Tully is getting at is that those we'd consider rich because they make a lot of money—such as doctors and lawyers making $250,000 to $500,000—aren't really rich, at all."

HENRY Pays the Highest

As it stands today, these highly paid employees pay the most in taxes, with effective rates between 33% and 39.6% from roughly $191,000 to $418,000 a year in earned income. Unfortunately for these high-earning employees, there isn't much they can do to find relief aside from mortgage deductions and family credits.

Some people find this to be incredibly unfair. Why should you pay higher taxes simply because you make more money? Depending on where you land on the political spectrum, you'll most likely have passionate arguments for and against the idea of taxing the rich.

A Simple Truth About Taxes

I don't intend to get into the fray of that argument in this post. Rather, I'd like to point out a simple truth that is often overlooked in this discussion. In fact, I tweeted about it some time ago (and boy did it stir up some emotions!):

Rather than talk about whether the tax code is fair or unfair, I propose that the discussion should be looked at through the lens of what I shared in that Tweet. Given that, the question becomes less about, "Is it fair to tax the rich?" and more about, "Are high-income employees building the economy and providing jobs?"

The answer is, of course, no. While it's true that they may help build a company's bottom line, and they may also do some hiring for that company, they are not personally building the economy nor providing jobs – their company is. They are just very high-paid (and high-taxed!) employees of that company.

Why Paying $0 in Taxes Can Be a Good Thing

During the last election cycle, then candidate Donald Trump received a lot of criticism for not releasing his tax returns.

Jumping in on this, Hillary Clinton and the Democrats speculated that one reason might be that he paid $0 in taxes. Most people saw this and immediately rose up in righteous anger – that's so unfair!

I, however, was compelled to write a post called, "Why I Hope Donald Trump Paid $0 in Taxes," in which I defended the fact that Trump may not have paid taxes.

As I wrote then:

> *As you probably know, the tax codes in the US and in many different countries are long and complicated. The question is: why?*
> *The reason is that government leaders learned a long time ago that the tax codes could be used to make people and businesses do what they want by utilizing the tax code.*
>
> *In short, the many credits and breaks that are found in the tax code are there precisely because the government wants you to take advantage of them. For instance, the government wants cheap housing. Because of this, there are many tax credits for affordable housing that developers and investors can take advantage of that minimize their tax liability, put more money in their pocket, and in turn, create affordable housing. Everyone wins.*
>
> *There are many scenarios like this in the tax code that incentivize investors and entrepreneurs to do activities the government is looking for while rewarding those who take those actions with lower-or zero-tax burden.*

Because of this, limiting your tax liability actually means you're doing what the government wants you to do through the tax code. And that is the most patriotic thing you can do.

One of the reasons I supported Donald Trump as president was because I knew he understood how money actually works, including using the tax code to force the right behavior for the country.

How Will You Respond to the Trump Tax Plan?

Recently, President Trump rolled out his proposed tax plan. It's hailed as the biggest overhaul of the tax code in decades. From the White House's own one-page summary, here's what the plan wants to change:

Individual Reform

- Tax relief for American, families, especially middle-income families.
- Reducing the 7 tax brackets to 3 tax brackets of 10%, 25% and 35%
- Doubling the standard deduction
- Providing tax relief for families with child and dependent care expenses

Simplification

- Eliminate targeted tax breaks that mainly benefit the wealthiest taxpayers
- Protect the home ownership and charitable gift tax deductions
- Repeal the Alternative Minimum Tax
- Repeal the death tax
- Repeal the 3.8% Obamacare tax that hits small businesses and investment income

Business Reform

- 15% business tax rate
- Territorial tax system to level the playing field for American companies
- One-time tax on trillions of dollars held overseas
- Eliminate tax breaks for special interests

In this proposed tax reform, you can see that President Trump is setting up the tax code to do exactly what I Tweeted about – rewarding those who grow the economy and create jobs, while also eliminating some pressures for the middle-class.

Many people may find reason to complain about this tax code and many of the arguments can be found in response to my Tweet. But I have a different suggestion: rather than get mad, get smart.

Figure out how you can be someone who either grows the economy or creates jobs… or both. By doing so, you will benefit from the very behaviors the tax code is designed to reward. The economy and your wallet will be better off for it.

Solution #4
Dollar Heist
(one of two-dollar solutions)

Six Practical Reasons I Own Real Gold: A Case For God's Money

Notice that I say I own real gold and silver. I do not say "I invest in" or "I trade" real gold and silver. There are seven reasons for the differences between owning, investing, and trading anything.

REASON #1

Real gold and silver are not investments.

I do not own gold and silver to make money. They are insurance, a hedge against the stupidity of the elites… and myself.

I have insurance on my car in case someone hits me or in case I hit someone else. Gold and silver serve a similar purpose.

I do not trust the elites. They believe they know everything. They believe they are always right. In their minds, they do not make mistakes. They will never admit they are wrong.

Elites are not the only ones with this affliction. All of us are afflicted with the "I am right, and you are wrong" disease. We all know someone who is always right. At times, I am that person, too.

The challenge for elites is that they live in their sheltered world with other elites – out of touch with the rest of the world. They send their kids to the same elite schools with other elite kids. They believe they are doing good, working for the good of the world – yet they are out of touch with the real world.

They hold massive charity events, they feel good, look good, want to see and be seen at galas, raise billions of dollars to save the world – but who saves the world from them? They were born smart, are highly educated, driven by hard work, yet—unwittingly—they have rigged the system to make themselves richer… at the expense of everyone else.

As Steven Brill wrote in his book, *Tailspin: The People and Forces Behind America's Fifty-Year Fall--and Those Fighting to Reverse It:*

> *[The elites] were able to consolidate their winnings, outsmart and co-opt the forces that may have reined them in, and pull up the ladder so more could not share in their success or challenge their primacy.*
>
> *By continuing to get better at what they do, by knocking away the guardrails limiting their winnings, aggressively engineering changes in the political landscape, and by dint of the often unanticipated consequences of their innovations, they created a nation of moats that protected them from accountability and from the damage their triumphs caused in the larger community.*

Translation: The elites are above the law. They have no guardrails. They have the money to hire the best elite attorneys—often classmates from the same elite schools—to battle lower-paid government attorneys from less prestigious law schools.

They have the power to do what they want without being held responsible for what they do or accountable for how many peoples' lives they damage. Their privileged education and success have turned them into despots.

Definition:

despot (n), a ruler or other person who holds absolute power, typically one who exercises it in a cruel or oppressive way.

I Do Not Know Everything

I know I do not know everything. I only know so much. I do my best, yet I make mistakes with my money. I do not trust our leaders. I do not trust our fake money. That is why I own real gold and silver – God's money.

Gold and silver are my insurance, my protection from our leaders and myself.

REASON #2
No risk.

All investments have risk. Real gold and silver have no risk. The price of gold and silver will go up and down because the value of our fake money is going up and down.

When a person invests, let's say in a stock or real estate, they expect an ROI—a return on investment—because they are taking a risk. When a person saves money in a bank, they expect a rate of return in the form of interest, because saving money in banks is extremely risky – especially when elites are printing money.

When I purchase a gold or silver coin, I do not expect an ROI because I am not taking a risk. Gold and silver are God's money. Always remember: the price of gold or silver will go up or down because the value of our fake money is going up or down.

Gold and silver are just gold and silver. Gold and silver will be here long after you, I, the elites, and the cockroaches are gone.

When I purchase real gold or silver, I purchase them forever. I never plan on selling. Just as Warren Buffett holds stocks forever, I will purchase gold and silver forever.

I know some of you are saying, "But I want to spend" or "I need money." That is why most people are not rich. They love spending. I, too, love spending. I love nice cars, clothes, homes, and food.

But even when I had no money or a job, I protected those assets and never sold my gold and silver. I'll say it again: just as Warren Buffett holds stocks forever, I will own gold and silver forever.

REASON #3

Gold and silver attract real wealth.

Wealth attracts wealth just as poverty attracts poverty. I was once invited to a seminar featuring the Hindu guru, Gurudeva. I was excited to attend. When it came time for questions, most were about enlightenment, others on spirituality, peace, or happiness.

The guru was wearing a lot of gold: gold glasses, a large gold earning, gold bracelets, and a gold necklace. Since I was raised a Methodist, and Methodist ministers did not wear much (if any) gold, I raised my hand and asked, "Why do you wear so much gold?"

The kindly guru smiled and said, "Because the tears of God are made of gold." He then added, "The tears of God—gold—attract wealth." When I asked what he meant by gold attracting wealth, he replied, "Let's say you want to attract $1,000 a month into your life. Then you own $1,000 of real gold."

"And if I want $1 million a month, then I own $1 million in gold?"

The guru, sensing that my greed was overtaking my spirituality, just smiled and said, "Why don't you start with $1,000 and see if what I say works for you? Gold does not work for everyone. There are conditions on God's generosity."

REASON #4
Why real gold and silver?

Why not paper gold and silver exchange traded funds (ETFs)? I do not trust anything paper. Anything paper is a derivative, a fake, something that requires a counter-party for value.

Financial Education

And so we come full circle. I don't trust counter-parties or paper because of what I discussed earlier – that fractional reserve banking is a losing game for savers.

The reason I want my real gold coins in my own private vault, and not paper gold coins in an exchange-traded fund (ETF) vault, is because for every real gold coin, there are an estimated 100 to 500 fake paper coins.

The fractional reserve banking system applies to everything, not only money or gold. The entire banking system is based on counter-party trust. After rich dad explained the fractional reserve banking system to his son and me, I laughed every time I saw "In God We Trust" on my money.

I prefer to trust God's money—real gold and silver—rather than the elites who print our money, run our government, central banks, banks, bond markets, and stock markets.

Always remember the fact that gold and silver will be here long after you, I, the elites, and the cockroaches are gone.

REASON #5

God's money versus government money.

Question: *How much more fake money can our governments print?*

Answer: The elites can print as much as they want as long as people will work for it.

Meanwhile, the elites are warehousing real gold. They know the game is over.

REASON #6

God's money is easy to acquire.

Buying gold and silver mines is hard. I know. I've bought and built two of them. Buying gold and silver mines takes a lot of time, money, and brain power. Acquiring real gold and real silver requires very little money, very little risk, and very little financial education.

It is much easier and less expensive to just buy real gold and silver coins from a reputable coin and silver dealer.

In 1972, I purchased my first gold coin in Hong Kong. It wasn't until 1974 that it became legal for Americans to own gold. For about $20, you can buy a real silver dollar. And for about $1,500, you can buy a real gold coin.

If you are a beginner, I would not buy numismatic, rare collectible coins. That requires a lot of financial education and years of experience. The best news is that everyone—rich or poor—can afford God's money.

James Rickards, a person I respect, predicts that gold will eventually reach $10,000 an ounce. Others predict that gold will drop to $400 an ounce.

What you do will depend upon whom you believe.

I do not care. As I said, I buy gold and silver and will never sell for the six reasons I've just explained.

Solution #5
Dollar Heist
(two of two-dollar solutions)

I started this section about solutions, stating that all my solutions are legal, ethical, and moral. This is true. I also stated that the solutions presented are all within the system. It's better to work the system than fight the system.

This last solution is a bit more radical as it changes the definition of money. I stated earlier that gold is God's money. The dollar is government's money. That makes cryptocurrencies the People's money.

Fight the system and learn about cryptocurrencies.

As I write this, the saboteurs, the conspirators, the manipulators of Bitcoin and other cryptocurrencies, are constantly making sure that cryptocurrencies are crashing.

And just like all other crashes, the ultra-controlling rich are profiting from the rebound.

Most Americans, or even so-called 'cryptocurrency-experts,' aren't aware of this, but according to whistleblowers, major organizations and governments are manipulating popular cryptocurrencies. Why? So they can buy it for pennies and end up with a fortune.

This is the game of nations, of corporations, and the ultra-rich. Played to make the rich, richer… But this doesn't mean you can't win, too.

After all, a simple $100 investment in Bitcoin, Stellar, and Ethereum on January 1st, 2017 would've made you $1,390… $22,000… and $58,000 richer. What makes cryptocurrencies so unique is that it has never been done before. We are experiencing the birth of a new kind of money.

Cryptocurrencies are what the airplane was in the 1930's, Rock-n-roll was in the 1950's, the internet was in the 1980's, and what the smart phone was in the 2000's. Cryptocurrency is the biggest, most innovative movement we may ever see in our lifetime. And that's simply because cryptocurrencies are changing money.

You probably missed out on the internet boom. Fortunately, the cryptocurrency boom will be bigger. Getting in on the boom of a lifetime is how generational wealth is made. The cryptocurrency boom will be no different.

The problem with booms, however, is that by the time the average person knows what's going on, the real money has already been made by governments, banks, and the leaders who run both.

That sounds unfair and terrible... unless you also know exactly what the ultra-rich know and can create large sums of wealth from this knowledge. How? First, it's important to understand the fundamentals of cryptocurrencies.

Cryptocurrency isn't "fake" money. It's digital money... and so much more.

The world has been using digital money for years. It's what credit cards, wire transfers, debit cards, and just about everything except what payphones use. But cryptocurrency takes it one step further and makes it impossible to steal or counterfeit. This means cryptocurrency is the future of money.

Just think of all the cryptocurrency mumbo jumbo as a new stock market. You have Wall Street for the old fashioned, old money people. You have NASDAQ for those who like more modern companies and tech. And now, you have cryptocurrencies.

It's that simple, just a little jargon change. But you make money in very much the same way.

Cryptocurrencies are the newest stock market. You use your real-world dollars to buy cryptocurrencies just like you use dollars to buy stocks. Then you buy and sell the cryptocurrencies just like you would buy and sell stocks on the stock markets.

Then you cash in your profits by turning them into dollars – just like stocks. This is why I am watching cryptocurrencies so closely – they are doing more than changing money. Cryptocurrencies are going to change the investment world! Actually, it is going to change the ENTIRE world!

Cryptocurrencies had a *huge* boom and then a huge crash. That is expected. It's part of the cycle for life-changing innovations. People thought the internet was too big once AOL got huge. Look what happened there – the internet began growing at an unprecedented rate. Once the world began to understand its power, it became a force.

The beautiful thing about cryptocurrency is that it's still in its infancy. And yes, just like infants it is often unpredictable… sort of. If you understand the cycles, rhythms, and the fundamentals of cryptocurrencies, then you can flourish from the volatility.

Not only that, but you can flourish from the volatility that allows you to buy low and sell high over and over again. It's a big reason why cryptocurrency can generate a fortune in a short period of time.

If I am predicting the future accurately, cryptocurrency isn't an alternative investment or just a nice thing to have. It's more than that. The proof is in the fact that it's already replacing the dollar.

Take a look at what's happening with currencies in Russia, China, and Venezuela. You may not know it, but it's happening in every major country in the world. International banks have stopped sending digital dollars and have started sending cryptocurrency transfers, instead. This means the dollar is already being replaced and no one knows it.

The various heists on our money have left it broken. Tainted. It is on its last leg. Whenever I make these claims to my friends, I always hear, "If cryptocurrency is going to replace fiat money… why isn't anybody warning me?"

I do talk about it, but I do not know enough to make bold, unshakable predictions. My friend, Jim Rickards, talks about it, but like me, he is not willing to make promises.

This has never happened before. We have no history to learn from. We know the dollar is failing. Gold is the hedge. Could cryptocurrency be the next investment? I don't know. But I do know you don't hear much about it because the media won't let you. They would rather discuss President Trump's sex life. Or Facebook scandals. Or North Korea. While some of that may be important, I'm pretty sure money affects EVERYTHING in your daily life, yet this major development is not mentioned.

And when it is, cryptocurrency is always linked with words like "crazy," "bubble," "phenomenon"… nothing to explain the very real implications on your daily life. You need to learn about cryptocurrency while the media is pushing it down. Once cryptocurrency explodes through the media, the avalanche of new investors will be overwhelming.

And it won't just be investors. It will be corporations, Wall Street, and the big dogs, because cryptocurrency will be used by everyone in the world.

Investing with Cryptocurrencies

I already explained how the global banks are already using cryptocurrency, but it's even more than that. Amazon is hinting that they are about to accept cryptocurrency payments! THE BIGGEST STORE IN THE WORLD! Maybe you've heard of a small website called Facebook? They are also working on their own cryptocurrency.

But it's even more than the stock market, banks, Facebook, and Amazon. Right now, the bond market is about 500 times bigger than the stock market. And cryptocurrencies are possibly going to replace it all. JP Morgan is already experimenting with selling bonds through cryptocurrencies.

Without getting too deep, cryptocurrencies allow contracts to be written that do not require middlemen. These contracts are about to completely replace the bond market. If you're in bonds, you'd better learn all you can about cryptocurrencies because when the bond market goes down, the world monetary system goes down!
The damage to stocks will be even bigger. Companies no longer need to list on Wall Street or NASDAQ. Now, companies can create ICO's. ICO's are Initial Coin (Cryptocurrency) Offerings. The same thing as IPOs, basically, but with no middlemen and the security of cryptocurrencies.

You're going to have companies saying that each cryptocurrency represents a certain percentage of their company. Why should they go to the stock market if they can get the liquidity now? They can just trade their equity now for the same amount of fundraising with more security and no middlemen fees and charges.

This is the new way to raise money. It's also the new way to make money by buying these ICO's early and coming away with unreal gains.

LEARNING about cryptocurrencies is my last solution for you. They are the future, and their wealth potential has not been placed out of reach for most... yet. I therefore urge you to spend the time, energy, and resources to learn more. It may be the most important solution in this book.

A Final Thought

Today, education is more important than ever before. It has incredible power.

The question I pose is this: In choosing your teachers, are you following three wise men… or three blind mice?

We all have the power to choose. The question is: Do we have the courage?

Don't allow fear to stop you. Take control your fear and keep going.

We've all had those moments - the moments when we have to decide if we are going to push forward or step back, go for our dreams or stick with what feels safe and comfortable.

Fear and doubt are always there. Sometimes your fear is driven by instincts warning you away from a bad situation. And sometimes your fear stems from the unknown and the instinctive desire to stick with what you know. Your fear can protect you but it can also keep you trapped.

Courage isn't about not having fear. Courage is about understanding your fear and exercising your power to overcome it when it stands in your way.

The courageous are in control of their fear, and as a result, are in control of their life.

Bonus Introduction
Why you need to learn from the best

Cryptocurrency and the blockchain technology are changing the world as we know it. This is an exciting time to be alive to witness a change in technology that we haven't seen since the creation of the internet.

If you are interested in this global phenomenon I urge you to learn from the best. I always tell people that if you don't know anything about real estate, or investing or even cryptocurrency, you better find someone who is an expert and latch on for dear life. Learn as much as you can from these people because they live it every day. When you learn from someone whose life revolves around this stuff, you're getting the most current/relevant information that most people don't have access to.

In my case, I have surrounded myself with a couple people that I know are in the cryptocurrency space every single day. These guys don't just talk about it, they live it. They are actively trading, analyzing white papers, looking at ICOs, and everything imaginable because they want to find the best opportunities.

Jeff Wang
RocketFuel

Late last year, I was introduced to Jeff Wang, a specialist in blockchain technology and analyst at RocketFuel and I was blown away. He is an expert that I had on the Rich Dad Radio show to talk about the future of cryptocurrency. We've talked at length about cryptocurrency and all its possibilities. He knows this world inside and out and I take his knowledge seriously.

You're probably thinking, "I've never heard of this guy." And what I found out is that his anonymity is by design. Both by the media and Jeff himself. As I'm doing more and more research into currencies and governments, I'm finding that only a handful of people are controlling everything. The alarming part about this information is that the media is intentionally keeping the topic of cryptocurrency at a minimum, and more shocking is the negative connotation they attach to it.

This is why I want you to know the name Jeff Wang. The thing I like most about him is his transparency.

He gets his information by doing the work. He does his research by talking to industry insiders, CEOs, policy makers and works with his team to get the newest information 24/7, around the clock. And because he invests based on the information he gathers, rather than gambling and risking it all on fate, he gets results. He doesn't try to predict the future.

Here are some of the investments that Jeff has made, including the percentage increase in returns from those investments:

- ZRX 1840% (in under 1 year)
- WAN 1810% (in under 2 months)
- ICX 2622% (in under 6 months)
- CND 900% (in under 1 year)
- VEE 500% (under 1 year)
- CVC 500% (exited after 3 months)

What's even more impressive is that these returns were AFTER the crypto market crashed. This was only possible because of the extensive research and information that Jeff and his team were able to access. And if you noticed, these were relatively short-term plays.

I am not a "buy and hold" kind of investor. Jeff and I agree on this...he describes those with that mindset as digging a hole and burying your money and waiting a really long time with the hope that when you do dig it up, what you pull out is worth more. If this strategy is where you are comfortable, then crypto is not for you.

Members of the RocketFuel team were among the first shareholders of Snapchat. They helped build huge companies like Airbnb, Uber and Lyft. All of these big-name companies were just starting out when Jeff saw the potential. He knew that these companies would make it big and he got in on the action early. His research tactics and strategies are proven to find the best opportunities before the masses.

If you'd like to learn directly from Jeff, you can join his Rocket Fuel Education community.

Click here to learn how you can join Jeff's community and profit from cryptocurrency.

The right education from the right person is the best shot at future success.