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Why the Rich Get Richer

by Robert Kiyosaki

Lying is Easy, Wealth Takes Work

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Being politically correct means saying what's polite rather than what's accurate. I like to be accurate.

So I'll continue in the politically incorrect vein of my last two columns, "[Lazy People Don't Get Rich](#)" and "[Go Forth and Multiply -- Your Money](#)," and tell you more reasons why people aren't rich.

It has to do with three more L words. And, as you'll remember, all that separates "God" from "gold" is one little "L" -- as in "lazy," "looting," and "loser."

Big, Fat Liars

The first "L" stands for liar. Many people aren't rich because they're liars. For example, one of the biggest lies people tell themselves about investing is that it's risky. Investing isn't risky -- being incompetent is risky.

Being a lazy investor is risky, too, and so is turning your money over to a financial advisor who's a salesperson, not an investor.

People who lie to themselves about investing are the same as overweight people who blame their genes for their obesity. The other night, I watched a TV show about a man who weighed more than 1,050 pounds -- that's over half a ton. When he was a kid, he believed his weight was due to baby fat. Then, in high school, he claimed he was "big-boned." Later, he blamed his weight gain on his marriage.

Even after stomach-stapling surgery, he blamed some other factor for his weight. The show's producers did a good job of not arguing with him or challenging him. Instead, they showed him gulping down gallons of sugary cola, fried foods, and pizza.

Mea Culpa

The reason I relate weight to money is because I, too, have been that liar. I blamed my genes, my family, and my wife for my being overweight, and used any other lie I could think of to help find comfort with my sorry reflection in the mirror.

It wasn't long ago that I considered having my stomach stapled. When my doctor told me I wasn't obese enough, I considered gaining another hundred pounds so I could qualify for the operation. Thankfully, I found the discipline to change my diet and start exercising instead.

I've lied to myself about money, too. I often wished that my parents were rich so that I didn't have to work so hard to become rich. I often wished someone would recognize my talents and give me the big break I deserved. I often blamed others for my losses and failures in business. I have, on occasion, even bought a lottery ticket. (Notice that "lottery" starts with an "L," too.)

So I'm not placing myself beyond the boundaries of any of the L words that separate "God" from "gold." I'm just as guilty of laziness, looting, being a loser, and lying as most people. I face those character flaws in myself every day.

The Blame Game

The next two Ls in this week's politically incorrect list stand for "lousy" and "leader." One of the biggest lies businesspeople tell is that it's hard to find good employees. In other words, they lie about their lousy leadership skills by blaming their employees for being bad workers.

I've heard many business owners say this, and I've heard professional people such as doctors, attorneys, and accountants say, "It's not like the old days, when young people wanted to work for older, established professionals." Blame is running rampant.

In my training as a military officer, one of the most important lessons drummed into my head was this: "There are no bad soldiers, only bad leaders." When you look at the war in Iraq, you see the truth in that statement.

It's my belief that the best way to be a better investor is to stop blaming the investment as the problem -- that is, to stop saying investing is risky. And the best way to grow a business is to stop blaming your employees or the economy or your competition for your problems. As long as you blame someone or something else -- something outside you that's bigger than you are -- as the source of your problems, the problems won't get solved.

A Losing Encounter

As if to illustrate this, a loser came up to me the other night at a book signing and said, "I took your advice and got a job in sales."

"That's good," I replied.

"Yeah, but I quit," he said.

"Why?" I asked.

"Because I didn't want to make my boss rich," he said in a wimpy tone.

I nearly lost it. Raising my voice, I said to Larry the Loser, "How can you expect to get rich if you don't want to make someone else rich? Did you even sell anything?"

"No," he said, "I didn't. I couldn't sell because I didn't like my boss. I couldn't sell because of him."

To this I replied, "Don't make your boss the fall guy for your inability to sell. You need a personality transplant. You act like a loser, and nobody wants to buy from a loser. And who wants to make you rich if you don't want to make others rich? Grow up!"

Mutual Funds Are for Losers

Today, there are millions of working people who are afraid of losing their jobs and of losing money in the stock market. That means they may never be able to retire.

These are the people who fall victim to the investment-and-advice gurus who recommend that they work hard, save money, get out of debt, invest for the long term in mutual funds, and diversify. Is this advice for people who play to win, or for people who play simply not to lose? I'll say it again -- grow up.

that you invest for the long term. Over 40 years, most mutual fund companies retain approximately 80 percent of the gains while investors receive a paltry 20 percent. Investors also put up 100 percent of the capital and take 100 percent of the risk.

Go for the Gold

Two of my favorite stories are of the alchemists, proto-scientists who searched for a way to turn lead into gold, and of Midas, the legendary Phrygian king who had the ability to turn whatever he touched into gold.

It is my sincere belief that we all have the power to be alchemists, as well as to develop our own Midas touch. All we have to do is stop lying to ourselves, and stop being lousy leaders who blame others for our problems.

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