Intro:
Increase your Financial IQ – Get Smarter with Your Money - Written by Robert Kiyosaki

As you may know, I am a big fan of Robert Kiyosaki. He knows what he is doing when it comes to financial education and making money. Let’s consider the money problems that we see around the world today. We have everybody defaulting on their mortgages, governments spending other people’s money like a crack addict with unlimited supply as well as governments illegally printing money. We have obsolete financial advice designed to keep people poor and the elite ultra rich.

These behaviors are sickening and actually un-American in my opinion. When you sign your name or give somebody your word then you need to live up to your obligations.

Think about the basic family who struggles for money. They face the following:

1. Not having enough money 2.) Using credit to supplement money shortages 3. Rising cost of living 4. Paying more in taxes the more they make . 5. Fear of emergencies 6. Bad financial advice 7. Not enough retirement money. Guess what? Money is not the answer to these problems!!!!!!!
Why is this important to me?

- Money Problems of the Rich
- Information + Education = Knowledge

If you have money problems like I outlined in the previous slide or if you have money problems of the rich then this book is for you. The rich do have money problems so why don’t we learn from them. Here are their money problems: 1. Having too much money 2. needing to keep it safe and invested 3. Not knowing whether people like them or their money 4. Needing smarter financial advisors 5. Raising spoiled kids 6. Estate and inheritance planning 7. Excessive government taxes.

Have you ever wondered why people who win the lottery or athletes that get the big contracts end up broke? It is because they do not have financial intelligence. This book cracks the code and offers guidance on both sides of the problem.

Information + Education equals Knowledge. Understanding this will get you to understanding Financial IQ.
This book is packed with great information. There are illustrations and other examples to explain in detail each of the 5 Financial IQ’s. I will cover each in summary and then do some tutorial videos that will highlight different investment examples to show how they work.

1. **Making more money** - This is simply measured by how much money you make and your capacity to generate income. Somebody who makes $1 million per year has a higher Financial IQ then somebody making $20,000 per year. The key to making money in any type of business venture is knowing how to communicate and sell. I can not stress this enough. I don’t care if you are a whiz bang developer or rocket scientist. If you can not communicate your ideas or sell then it will limit your ability to make money. I understand that Mark Zuckerberg of Facebook was not great at sales and he is successful but you need to remember that he is the Michael Jordon of software development. He is NOT the norm. For every Mark Zuckerberg’s there are 1,000 Joe Shmoes that are just as smart but can not break into it because of there lack of communication and sales ability. **Think about this for a moment** – If you want to succeed in business then you need to communicate and sell to customers, vendors, prospects, bankers and outside investors. If you can not articulate your value then your ability to make money is significantly reduced. Every conversation is a sale – You are either selling YES or accepting NO.
2. **Protecting your money** – A fool and their money are soon departed……. Once you make your money then you need to protect it. People legally are out to take your money in the form of taxes and interest. It is said that out of every $1 of income, $.34 cents goes to interest and another $.30 goes to taxes. This is the reason that 85 percent of the American Public is two weeks from bankruptcy. Increasing this financial IQ requires thought and planning. Here is an example: If John Smith makes $30,000 of income and pays no taxes legally then he has a higher financial IQ for protecting money then Dan Jenkins who makes $40,000 and pays $12,000 in taxes. Protecting your money requires a full understanding of taxes and the types of income that exist as well as understanding interest on your money.
3. **Budgeting Your Money** - This one is absolutely critical. You need to “Pay Yourself First.” I can not tell you how I had this pounded into my skull as a kid. My old man hammered me on this subject every time we chatted about making and keeping money. You need to have an expense that every month you pay yourself. This is an expense and not an asset. If you put this in cash flow terms like your rent payment then it makes sense. This one rule has kept me in business. Without it, I would have received everything but the kiss in several situations. If you run out of money at the end of the month, DO NOT pillage the payment to yourself. You will be farther ahead to improve Financial IQ #1 and make more money to pay your bills. This mind set will require you to come up with solutions and will help you become rich. Remember that Expenses always rise to meet income and if you do not pay yourself first then you NEVER WILL.

4. **Leveraging your money** – You need to understand the difference between good debt and bad debt. Good debt spits of positive cash flow each month while bad debt costs you money every month. You also need to utilize leverage very carefully and have control over the underlying asset that is leveraged. Leverage can make you rich but can also wipe you out if you do not respect it. Think of leverage like the Pacific Ocean. It is beautiful and sustains life but can kill you in an instant if you are not careful. Respect is the key here.

5. **Improving your Financial Information** – According to Jim Rohn, you can
measure someone’s income simply by averaging the income of the 5 people they spend the most time with. This is powerful. You need to improve your associations and employ a good team. People are quick to give advice. I have been dealing with Merrill Lynch for years and I have to tell you that every single stock play pitched to me by them has resulted in lost money. This is not there fault, this was my fault. I had no idea how to value the company I was investing in. Through financial information and reading (associating) with people that know how to do this has allowed me to make money on stocks instead of getting punched in the face.
Remember that it is not how much money you make but how much you keep that separates the poor and middle class from the rich. As you can see from the 5 financial IQ’s, they have two sides. All of them can make you rich if followed correctly or poor if they are not followed correctly. Financial Education is the key difference.

I hope you have found this short video summary useful. The key to any new idea is to work it into your daily routine until it becomes habit. Habits form in as little as 21 days.

One thing you can take away from this book is to pay yourself first. Every single pay check, write yourself a check for 10 percent and put it into an account. Do this even if you have a retirement / 401K savings program. If you don’t do this then you will never be financially free. Do it right NOW!!!!

If you enjoyed this video then please do not hesitate to pass it along and if you want more detail then click on the link below and purchase Robert’s book - “Increase Your Financial IQ?”

Thanks for watching and have a great day!