Speaker 5: This is The Rich Dad Radio Show, the good news and bad news about money. Here's Robert Kiyosaki.

Robert Kiyosaki: Hello, hello, hello, it's Robert Kiyosaki. The Rich Dad Radio Show, the good news and bad news about money. Today, we have a very interesting show for you. It's why the rich are getting richer, not to unabashedly bash or promote my latest book, Why the Rich Are Getting Richer by the same title. That book has always, well, at Rich Dad Company, is always about financial education, something our schools lack. So, our guest today is Michael Sonnenfeldt, and he is the founder and chairman of the famous TIGER 21 group. I've heard about this group many, many times. They have a chapter here in Phoenix, and [inaudible 00:01:52] premier peer-to-peer learning, a high net worth, first-generation of wealth creators in North America and London. So, Kim, what do you want to say?

Kim: Well, now I'm looking forward to this show because, you know, we just came off the road from South America, Paraguay, Argentina, and Brazil, and we were talking about real teachers versus fake teachers. The real teachers are teachers who are out there in the real world doing the real thing versus teachers who talk theory and tell you how to do it but they're not in business, or they're not investing. They're basically textbook academics. So, today we're going to learn from Michael, who not only is a real doing-it-every-day kind of guy who's a real teacher, but he works with all of these very, very successful entrepreneurs. I like first-generation wealth creators, not ... you know, they didn't inherit it from mom and dad, they built it. We're going to learn some of the secrets, kind of the behind the scenes what they talk about, what they're saying. I'm fascinated, so I want to get started.

Robert Kiyosaki: So, he is promoting his latest book. It's called Think Bigger: And 39 Other Winning Strategies from Successful Entrepreneurs. Again, there's real entrepreneurs and fake entrepreneurs. The thing I love about the book, they're real. I'm really doing my best to tell you right now, the reason most people are in trouble financially is they had fake teachers. They don't know what they're talking about. They have no idea about money. So, that was my poor dad, Stanford graduate, University of Chicago, Northwestern University, but he knew nothing about money. He could tell you how to do it, he just couldn't do it himself. So, the story of Rich Dad Poor Dad is really a story about real teachers versus fake teachers. So, welcome to the program, Michael.

Kim: Welcome, Michael. Thanks for being here.

Michael S.: Thank you. Thanks so much for having me. It's great to be here.

Robert Kiyosaki: First question is can you give us a little about your background for people who don't know you?

Michael S.: Sure.

Robert Kiyosaki: And the TIGER 21. I never knew the acronym TIGER stood for, so anyway, let's start with that. What does TIGER stand for?

Michael S.: Sure. TIGER 21 stands for The Investment Group for Enhanced Results in the 21st Century, and we're about 550 successful entrepreneurs, almost all first-generation wealth creators across 35 cities in North America and now London, learning from one another, really trying to figure out what worked and how to do it better each on our own, each managing our own money, but getting together once a month for a full day in groups of 12-15 people, totally confidential and sharing best ideas, best practices and helping each other solve the issues that are most on their mind.

Robert Kiyosaki: So, quote-unquote, these people have "made it" already.

Michael S.: That's correct.

Robert Kiyosaki: Why did you start TIGER 21? What was the reason? What was your motivation?

Michael S.: Sure. So, I was a lucky, young entrepreneur. In my 20s, I developed a project called The Harborside Financial Center with a partner and sold it at 31, and thought I made more money than I ever would have expected. Over the nest few years, I made many investments but I didn't have a well thought out strategy for preserving wealth. I was just in a wealth-creation mode. After a few years, I had gone backwards a little and said, "You know, I didn't do this as smartly as I'd like." I went back and started another company that was in the real estate business buying distressed real estate, and built that up to over a billion dollars in assets and then sold that for a second time, my second liquidity event at 43.

I said, "I don't want to have to go through this again. What do people who have been through the journey that I've been on ... How do they learn from one another? How do they preserve wealth? How do they have a prudent diversification of their portfolio? And frankly, how do they not let their entrepreneurial skills get in the way of being a good investor?" Because the best entrepreneurs are mediocre investors on average. They're two different breeds, two different species.

Kim: That's a really good point, because a lot of times people think, "Oh, well if you're successful as an entrepreneur, you should be very successful in handling your money," but you're saying it's not the same person.

Michael S.: I'm talking about my book because this was one of the big lessons that I learned in researching the book. Most people lump successful entrepreneurs and successful investors together, but it's kind of like we think of snow, not in Phoenix so much, as that white stuff and they have nine different words for it in Alaska because there are many variations. Entrepreneurs love what they do. Most entrepreneurs start a business because they have a passion to do

	something, and it's their baby. They put all of their resources in a single activity and they milk it for all it's worth. If you do that as an investor, you'll be broke. Investors prudently diversify, and almost everything they have is for sale at a price. An entrepreneur wouldn't give up their baby for anything.
Kim:	[crosstalk 00:07:14]-
Robert Kiyosaki:	That's definitely correct. So, once again, his book is Think Bigger. Is it out yet?
Michael S.:	Yes, it hit the stores on Mondays.
Kim:	Oh, perfect.
Michael S.:	It's available across the country and on Amazon and Barnes & Noble online.
Robert Kiyosaki:	Is that your first book?
Michael S.:	It is my first book.
Robert Kiyosaki:	I want to congratulate you, Michael. I mean, the parts of that I did read are brilliant. Again, it was written for a guy like me who never did well in school. Your stories are powerful, simple, to-the-point, and memorable. So, everybody I-
Michael S.:	You know, I'm curious. You mentioned you didn't do well in school. I've actually dropped out of school three times, although I ended up finishing at MIT. The reason I'm bringing it up is because a lot of entrepreneurs have learning issues, and what makes them successful entrepreneurs, this is a little known sort of secret, is that they couldn't function in corporate environment. They could be really smart, they could have amazing passions, but they just couldn't function in corporate environment. So, when they create their own company, they create a custom-made environment for them to succeed in. They create an environment that plays to their strengths and minimizes their weakness. So, you find an unusual degree of learning issues, ADD, ADHD, and all sorts of things that the doctors call "on the spectrum" among really successful entrepreneurs.
Robert Kiyosaki:	I would say that is the case for both Kim and I, but also we had already made it when we started the Rich Dad company.
Kim:	But I was fired twice, not once but twice, from my first job after college.
Michael S.:	[crosstalk 00:08:57].
Robert Kiyosaki:	[crosstalk 00:08:57].
Kim:	I didn't fit that environment very well either, Michael.

Michael S.: Right.

Robert Kiyosaki: So, our point was we designed a company the way my rich dad taught me, and my rich dad taught me playing Monopoly, you know, four green houses, one red hotel. So, Kim and I now own massive amounts of real estate. Not like Trump does, my buddy, but our model is the same. He licenses. We license. But again, our model is actually McDonald's, you know? McDonald's's business is real estate, so the Rich Dad company buys real estate for Kim and I using debt and minimizing tax. That's really our model. We follow Ray Kroc all over the world, but-

Michael S.: Just two-

Robert Kiyosaki: But-

Michael S.: Yeah, two things-

Robert Kiyosaki: But I didn't learn in school, so we created this little board game called Cashflow, and it's the only game that teaches accounting while people are having fun.

Kim: And investing.

Robert Kiyosaki: So, there's thousand of Cashflow clubs all over the world. People teaching people, like my rich dad taught me. So, you're exactly correct. I didn't learn by listening to a teacher. I learned by playing games.

Michael S.: Well, two things. First of all, Kim, you said you were fired twice. In the book, one of the people that we interviewed, Rick [inaudible 00:10:14] from Houston, says, "You want to know the definition of an entrepreneur? It's 30 years old and just fired."

Kim: I was pretty close.

Michael S.: That's what he calls it. But the other thing is that when you talk about real estate, traditionally the largest number of people on the Forbes 400 list, or a very large number, were real estate, but we've had an amazing thing happen across TIGER. We do an asset allocation and look at where all our members are investing. These are obviously some of the successful entrepreneurs. Real estate hit an all-time high. 33% of assets across our $50 billion of assets is in real estate. It had hovered around 25% for the last decade, and in the last couple years has inched a lot the way up to 33%. So, clearly you're not alone in your perspective.

Robert Kiyosaki: Well, with negative interest rates, what else would you do with your money? Go on the stock market? You know what I mean? I look at that stuff and go crazy.

Michael S.: Yeah.

Robert Kiyosaki: But anyway, our guest today is Michael Sonnenfeldt, and he is founder of the very elite group TIGER 21. He is a serial entrepreneur, very big-hearted man, believes in education, and his specialty is peer-to-peer, what we call people teaching people, learning for high net worth first-generation wealth creators. In other words, you have to have made it to join TIGER 21. His first book is Think Bigger: And 39 Other Winning Strategies from Successful Entrepreneurs. Just out. I recommend it because the sections I just read were simple, powerful, and real.

Kim: So, Michael, it sounds like a lot of TIGER 21 you're really giving financial education to successful entrepreneurs.

Michael S.: Mm-hmm (affirmative). It's learning from one another. You know, the whole key to the concept of peer-to-peer is that you learn from one another. We just provide the plumbing, or the setting if you will, that creates the integrity and total confidentiality so people can talk about these things. But when you've sold a business after working 20, 30 years and you're lucky enough to be considered a successful entrepreneur, about half of your agenda is preserving wealth, but it turns out the other half is what I would call the search from success to significance.

Sometimes that has to do with legacy and most often it has to do with children. That's the number one issue that comes up among successful entrepreneurs, in part because while they were being so successful, sometimes they neglected their parental duties. They get to be 50 or 60 years old and wake up and say, "You know, I have to restore the relationship with my kids. My other friends may have done a better job, but I had my nose to the grindstone for 30 years. Now I want to start reconnecting with my kids in the most positive way I can."

Robert Kiyosaki: Once again, our guest is Michael Sonnenfeldt, and he's the founder of TIGER 21, very elite group for people who have made it. He's talking about peer-to-peer, what we call people teaching people, about financial education. When we come back, his new book Think Bigger: And 39 Other Winning Strategies from Successful Entrepreneurs. We'll talk more about that for those of you who still would like to someday be invited to TIGER 21.

Speaker 5: You're listening to The Rich Dad Radio Show with Robert Kiyosaki.

Speaker 6: Do you own an LLC or LP? Are you aware of the new rules? The IRS has mandated new audit rules that require every LLC operating agreement and LP limited partnership agreement be amended. This dramatic requirement has never before been experienced, and changes must be made by December 31st. Corporate Direct owned by Rich Dad advisor Garrett Sutton can guide you through these new rules. Call (800) 600-1760. That's (800) 600-1760, or visit corporatedirect.com. Contact Corporate Direct to stay in IRS compliance.

Speaker 5: Your financial education continues. Now back to Robert Kiyosaki and The Rich Dad Radio Show.

Robert Kiyosaki: Welcome back. Robert Kiyosaki, The Rich Dad Radio Show, and the good news and bad news about money. You can listen to the Rich Dad radio program anytime, anywhere on iTunes or Android. All of our programs are archived at richdadradio.com. The reason we archive them is because repetition is one of the best ways to learn. So, if any of you wanted to hear this program again, just go to richdadradio.com, but also especially if you have friends, family, and business associates, this is a very important program to listen to because our guest today is Michael Sonnenfeldt. He is the founder of the elite TIGER 21, the premier peer-to-peer learning network for high network first-generation wealth creators in North America and London. He is the author of his book Think Bigger: And 39 Other Winning Strategies from Successful Entrepreneurs. I said I just glanced at it this morning. I just got in from Brazil and what I like about it, it's real.

You know, one of my biggest complaint is there are real teachers and fake teachers. The biggest problem financially today is we have fake money not real money. They're called treasuries. So anyway, it's a very important book, Think Bigger, especially for those of you who aspire to be entrepreneurs. Any comments, Kim?

Kim: It is definitely very aligned to what we do. I mean, Rich Dad Poor Dad is what the rich teach their kids about money that the poor and middle class do not. When talking to Michael, it's what the rich teach their kids and everybody else about entrepreneurship that the poor and middle class do not, so-

Robert Kiyosaki: But also what happens is the problem exactly as Michael defines in his book Think Bigger, is that many entrepreneurs forget their family on the way up and they forget, you know, for 30 years they have kids or wives and a family around them. So, everything the Rich Dad company was designed to do was so people could teach people, what Michael called peer-to-peer. So Michael, what's your coach you wanted to pass on to everybody?

Michael S.: Well, first of all, two parts. You know, in English we say, "From shirtsleeves to shirtsleeves in three generations," and the Japanese say, "From rice paddies to rice paddies in three generations," and the Dutch say, "From clogs to clogs in three generations." What it means is it's so common that parents are so lousy at teaching their kids the skills that allowed them to be successful that the first generation makes it, the second generation takes it, and the third generation loses it. What you're doing in your program and in your work is really trying to say, "How do you teach your kids?"

We had a person who was thinking about being a member of TIGER 21, and the reason they were going to join was because they were going to have a significant success in an investment. I said, "I'm just curious, did you think about making your kids partners in the investment when you made it? Because that would avoid an estate tax." Maybe all the estate taxes are going away these days, but at the time that would avoid an estate tax on the portion of the profits earned by the kids. The prospective member said, "Oh, I'm not giving my kids anything." That sort of had an alarm bell go off on me, because a lot of first-generation wealth creators feel that they had it really tough, so they want to kind of have a tough love with their kids where they want to toughen them up but they only do that at age 20. It's kind of hard to raise a kid in splendor until age 20 and then all of a sudden pull the rug out and make it tough.

He said, "No, no, no, no. You don't understand. I don't want to give anything to my kids. I want to invest everything in my kids." That was like an amazing wow moment for me, because when you talk about framing what you're doing for your kids, when you're thinking about giving them money then you're worried about them wasting it. You don't want to give them so much that they can do nothing. But when you're talking about the same process through the lens of investing in your kids future, it completely reframes the conversation and allows you to talk about, "Okay, if this is an investment are you going to build emotional capital, or social capital, or financial capital? How are you going to use this money wisely?" So, it's really this notion that when you're dealing with your kids, for people who are in a position to leave them some financial resources, think about it as an investment in their future and hold their feet to the fire to make the investment pay off.

Robert Kiyosaki: Right, and that's very important advice because as you know, if you're a parent that's easier said than done, especially after they pass 14 when they know everything.

Michael S.: Yeah.

Robert Kiyosaki: Kim and I have some friends. One friend, they have two daughters and they're now grown up. It doesn't speak well to the parents, you know? Both daughters have chronic ulcers and their attitude is really horrible because they know they never have to work for the rest of their lives.

Michael S.: Hm.

Robert Kiyosaki: I look at that and I go, "That's a parenting issue to me, not the child's issue." But anyway, they're not my kids so I say nothing. Right, Kim?

Kim: Yeah, we don't give advice to parents. We would be fake teachers at that point. So, if I can ask, Michael, you know the financial education is part of TIGER 21. What are some of the major financial issues or maybe better questions that your members are asking?

Michael S.: Well, one is what is a prudent amount of money to live on relative to your wealth in a zero-interest rate environment? So, our members typically live on about 2%. So, whether you have a thousand dollars or a million dollars or even more, thinking about, like, how much can I live on if I don't have any income other than what's coming from my wealth? 2% is sort of a good rule, but the other one is all of our members want to-

Robert Kiyosaki: Wait, wait, wait.

Michael S.: Sure.

Robert Kiyosaki: So, if you have $1 million net worth, that means ... What's that, 200,000? Or no, 20,000.

Kim: 20,000.

Michael S.: $20,000. If you live on more than 2%, you're going to be depleting the assets in a low-interest rate environment. It's hard to believe.

Robert Kiyosaki: Well, if you depend on interest. But anyway, that's a whole nother strategy.

Michael S.: Yeah.

Robert Kiyosaki: But-

Michael S.: The-

Kim: The other [crosstalk 00:21:07]-

Michael S.: Obviously the one that says is like, "So, what could I expect to earn without taking too much risk?" That's 3-4% in this environment. So, obviously after inflation and after taxes, that's how you get to the 2%. But if somebody says, "Oh, well I want to earn 10% on my money," that's really tough. You're going to start taking risks that might not be so prudent. So, you know, it really depends on the person's individual situation, but something that people really are interested in is how much cash do I keep on the side? We have all these unknowns.

Kim: That's my question.

Michael S.: It doesn't matter whether you're worried about Iran or North Korea or climate change, there's all of this stuff going on, and how much cash should you have? Our members across the board carry between 10 and 12% in cash, and that's one of the things that we look at. If somebody has too little cash, they can't weather a storm, and if they have too much cash then obviously they're not putting their assets to work.

Kim: Just a personal question, do you discuss where you keep that cash or how you keep that cash?

Michael S.: Oh, absolutely. One of the things that's unique about TIGER 21 is we do something called a portfolio defense. Every member once a year shares in a confidential setting their assets, their income, and where their investments are and they defend it like a thesis. That's why it's called a portfolio defense. We talk about this in the book a lot because it takes a month or two to prepare, but it's like having your own personal board of directors because you're sharing this information with peers who are in a similar situation, but each is in a different journey and so the perspective you get is quite extraordinary. You know, we talk about in cash, we talk about do you have it in gold? How many accounts do you have? What's a custodial account? Because that gives you some protection. How do you think about how many places should your cash be? All of these come to the discussion.

Robert Kiyosaki: Yeah. We have 10 advisors and we do the same thing. The first year we tried it, it was worse than pulling teeth without Novocaine.

Michael S.: Right.

Robert Kiyosaki: Oh, man. When somebody has to open up, you know, and disclose their position a lot of you know what floats to the surface.

Michael S.: Yep.

Robert Kiyosaki: That's a brilliant strategy.

Michael S.: [crosstalk 00:23:37].

Robert Kiyosaki: You know, we do it. It's not easy.

Michael S.: Yeah, it's really, really tough, especially when you have to admit the mistakes you've made, but almost everything that has human beings in it tends to perform better on the things they measure, cooperation and organization, a team, you know, statistics. One of the things that happens is when you're a really successful entrepreneur, you're not accountable to anybody. You're the king of the roost or the queen of the roost, and all of a sudden you join this organization and you have a little accountability to your fellow members.

You asked before what are the lessons? Most people don't have an investment philosophy. They haven't taken the time to say, "Here's how I think the world works. Here's what I think will work for me, and here's my investment philosophy and my mandate." Because if you do that thoughtfully, then each time you're tempted to lend your sister-in-law or your brother-in-law some money for some cockamamie investment, you can say, "This isn't part of my investment philosophy," and say, "Look, I'd love to do it but I just don't have that latitude. I believe in a discipline and that's what I'm going to stick to."

Robert Kiyosaki: Outstanding. Once again, our guest today is Michael Sonnenfeldt, and he is the founder and chairman of TIGER 21. For those of you who ever hope to make it in the world, maybe you'll get invited to TIGER 21. He is the author of Think Bigger: And 39 Other Winning Strategies from Successful Entrepreneurs, like I said again. I love it because it's from real people. The thing that I've always said at Rich Dad, we have fake money and we have fake teachers. The biggest problem in the world today is most people are working for fake money. It's called the U.S. dollar that is a fiat currency and it'll eventually go to zero. So, what Michael is saying is crucial because, you know, a lot of people talk about becoming entrepreneurs, but it's exactly as Michael says; people have no investment philosophy.

Kim: Yeah, and-

Robert Kiyosaki: Why are you working for money if you don't know what you're going to do with it?

Kim: Right. Michael, you touched on something really important, which is exactly what we teach at Rich Dad, is you said when there's zero interest basically to ask-

Robert Kiyosaki: It's negative interest.

Kim: Negative, to want a 10% return, what we say is if you want a 10% return or more, you need to go get yourself financially educated, you got to get experience, you got to start small, you got to do all the things. Most people are not willing to do that.

Robert Kiyosaki: So, when we come back-

Michael S.: Yeah, actually-

Robert Kiyosaki: ... Michael will be talking about what he thinks about the income inequality or most importantly, the gap between the rich and everybody else. If you're one of those everybody else, stay tuned. We'll be right back.

Michael S.: [crosstalk 00:26:25].

Speaker 5: You're listening to The Rich Dad Radio Show with Robert Kiyosaki.

Robert Kiyosaki: Thanks for tuning in to the Rich Dad Radio Show. If you like what you're hearing, go to iTunes or Android, subscribe to the show, and leave a rating and review to help other financially-minded people like you find The Rich Dad Radio Show. Thanks for tuning in, and keep on learning.

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Robert Kiyosaki: Welcome back. Robert Kiyosaki, The Rich Dad Radio Show, the good news and bad news about money. Once again, you can listen to this program and all programs anytime, anywhere on iTunes or Android at your convenience. All of our programs are archived at the richdadradio.com. We archive them there simply because if you want to listen to it again you'll learn even more from this 45 minutes of wisdom. Also, you can have friends, family and business associates listen to this program and you can discuss, because when you discuss with friends, family, business associates, all of you get smarter. So anyway, our guest today is Michael Sonnenfeldt. He's the founder and chairman of TIGER 21, the premier peer-to-peer learning network for high net worth first-generation wealth creators in North America and now London. His first book is Think Bigger: And 39 Other Winning Strategies from Successful Entrepreneurs. His website is tiger21.com.

So, today we're talking to Michael about, you know, everybody ... not everybody, but many people are entrepreneurs today and they hope to strike it big, but oftentimes they strike it big and they forget two things; one, they forget about their family and number two, they forget about what they do when they do strike it big. You know, most people won't make it, unfortunately, but many people find out the hard way that making it starts another program, because what do you do with all that money? Any comments, Kim?

Kim: That's what we're talking about, is why and how the rich are getting richer. Michael, I have to ask just a personal curiosity. What percentage are women in your groups?

Michael S.: So, we have about 9%, about 45 members are women. It's growing. It's the fastest-growing segment within our organization. That represents probably the same proportion if you took entrepreneurs who are worth between 10 million and 1 billion that were self-started, that's probably similar to the number of women in that group as well.

Kim: Okay, thanks. That's a good stat to have.

Robert Kiyosaki: So, Michael we're talking about your investment philosophies and all this. I really want to know what drives you. You know, what drives me is this gap between the rich and everybody else. Well, because both Kim and I, we had highly educated fathers but both got fired mid-career. That's why we became entrepreneurs. But I think what's really tragic for me, here was my dad, a PhD, you know, Stanford, Northern, he had all the pedigrees. He knew nothing about money. That was where my rich dad kicked in. It was my best friend's father. Ever since that, we started teaching people about entrepreneurship, but most importantly investing your money before you get rich. That's what drives me. I'm really kind of right now upset with the school system. I've been there for many years. Why don't we teach kids about money? I never understood that. So, what drives you?

Michael S.: Yeah. [crosstalk 00:30:19]. So, first of all, I couldn't agree more. I think that the biggest challenge that we have right now in our society is that there are certain measures where entrepreneurialism is in decline. As an example, 25-30-year-olds have the lowest number of new companies as a percentage in history. We had more [crosstalk 00:30:41]-

Robert Kiyosaki: Really?

Michael S.: Yep, yep. We had more-

Robert Kiyosaki: Why is that?

Michael S.: Well, that's what we're trying to figure out. I have an answer in a minute. We have more business deaths than births in the last three years. Some of that is because it's the fallout from 2008, but another statistic that's quite troubling is the average new company today employs 25% fewer workers than the average new company a decade ago. That's in part because of technology. During the election, we were talking about offshoring to China, India, and Mexico as if that was the problem taking all the jobs from our working and middle class. The real problem, some estimate as much as 85% is technology, robotics, and computers. We don't want to go backwards and unplug those. We want to find the programs that will equip our working class to have great jobs. Not all of those people will be entrepreneurs, but the entrepreneurs are the ones who start the companies that employ all of those people.

So, my passion is helping young entrepreneurs be successful and ensuring that the environment that most of today's successful entrepreneurs started in is just as vibrant for the next generation. One of the most important pieces is just what you said, it's education. I think that's where we're most deficient and where we should be focusing a lot of our resources.

Robert Kiyosaki: You know, Michael I hate to play me too, but that's exactly ... Kim and I have more than enough money. It just makes me sick to see what's going on. I mean, I talk to more poor people, like my highly educated poor dad, and I want to puke. I'm going, "What are you guys thinking about?" Go to school and get job. Why don't you prepare them for a world without a job and without money?

Michael S.: They polled some people recently and asked them if you put a hundred dollars in and you earn 2% interest, how much would you have at the end of the year?

Kim: Oh no.

Michael S.: The majority of people on the street didn't know that it was $102.

Kim: Oh my gosh.

Michael S.: Most people don't even know the basics about compound interest. Einstein is rumored ... I don't think he actually said it, but he's rumored to have said, "The most powerful force in the universe is compounding, and if you don't understand that, you'll never be able to accumulate wealth."

Robert Kiyosaki: Yeah, but also what he didn't talk about is compounding debt. When I look at all of these cliches, I just go a little nuts, you know? I go, "Hey, come on." A lot of people say, "Do what you love and the money will follow." My response is, "I'm best known as a writer and I hate writing."

Michael S.: Yeah.

Robert Kiyosaki: I have-

Kim: I think it's do what you love, work your butt off.

Robert Kiyosaki: I have to do what I have to do, and that's what and entrepreneur has to do.

Michael S.: Well, there's one piece that goes with that. It's a famous thing, I don't know if you've covered it on your program, called the marshmallow test?

Kim: Yes. Yeah.

Michael S.: But there was a famous psychiatrist who tested kids and said, "If you don't eat the marshmallow I'm putting in front of you ..." this was three-year-olds for 20 minutes ... "I'll give you two marshmallows."

Robert Kiyosaki: I ate it right way.

Michael S.: Yeah. Well, very few kids did it, but the few that could wait, turned out this was the most successful predictor of future success. It goes right what you're talking about. It's about the ability to have self-control and delay gratification. So, you can make a lot of money, but if you spend it as fast as you make it, you're never going to accumulate everything. So, it's not just the ability to make money, but it's the ability to save it and delay that gratification that makes the difference for so many people.

Kim: Yeah.

Robert Kiyosaki: Right.

Kim: I thought that was great that they followed these kids and found out that they were the most successful ones. If I can just go back, Michael when you talking about 85% is going to be going through robotics and AI and all of this, where do you and your group see the future for entrepreneurs, especially young entrepreneurs? Where are the opportunities, given the world of robotics?

Michael S.: Sure. So, you know, the people in the news are the Zuckerbergs and the Steve Jobs, and all of the high-tech guys, but the people in the book are flipping hamburgers and driving school buses. Almost every product in service that you use has a company behind it and an entrepreneur behind it. So, I think that if we educated our kids to be better entrepreneurs and we simply educated our kids better ... That's probably the big disgrace of the United States ... they could be better-functioning. A great example is in Germany you have an apprenticeship system, so instead of going to college, you go to a one- or two- or three-year apprenticeship where you learn highly technical skills. These are respected jobs. That's why Germany produces so much of Europe's cars and automation and robotics.

So, we have a lot of potential of creating great middle class jobs with better education. I know there's a lot of disagreement about alternative energy, but it turns out alternative energy is employing more people than coal, and it's the fastest growing part of the energy spectrum. There's a lot of vets who come back and have the skills to be installers of rooftop solar and all sorts of other types of alternative energy, so that's one area. But I think education is the key. If we don't educate our kids better, they're never going to function in a vibrant middle class as we'd like to have that happen.

Robert Kiyosaki: Well, speaking of ecological companies, would you tell us about your companies at Carmanah Technologies Corporation?

Michael S.: I will, and I just have to correct you. After 30 years, I finally sold my interest just three weeks ago, so I'm no longer chairman. But I took this company in Canada through a dramatic transformation. We put in a great team and we manufactured solar-powered street lights. The buoys that protect our waterways that have flashing red and green lights are all solar-powered now. We light offshore windmills to keep boats from sailing into them and planes from flying into them. It's a really exciting area. It's not the solar power industry. This is using solar technology to create wireless products, and this is an amazing little company that I had a lot of fun with and I'm still-

Robert Kiyosaki: 30 years, you said?

Michael S.: I started a private solar lighting business. I started backing it 30 years ago, and eventually merged it into this Canadian company five years ago. Now, it's all combined into a much larger, much healthier business.

Kim: You-

Robert Kiyosaki: Well, congratulations.

Kim: Yeah, that's fantastic.

Robert Kiyosaki: But the key word in there was 30 years. You know, so many people want to start a business and they think next week they'll be a multi-millionaires. I'm going, "Are you nuts?" I mean, talk about no-

Michael S.: Yeah. Actually, I lost money. I'm almost ashamed, but now I'm proud to say I lost money for 25 years but had enough faith to keep doing it, and then eventually merged it. Now, it's turned into a very nice success.

Robert Kiyosaki: But that's the marshmallow story.

Michael S.: Yeah.

Robert Kiyosaki: Yes. That's really, really, really, really what I think your book Think Bigger is important for people to listen to, is because Michael Sonnenfeldt is a real entrepreneur. The reason I say that is I get invited to many of these entrepreneur conferences. I don't go to them anymore, because many of the so-called entrepreneurs are corporate executives.

Michael S.: Right.

Kim: Or they're entrepreneurs that started a company teaching entrepreneurship.

Robert Kiyosaki: And most of them don't know how to operate without a paycheck.

Michael S.: Yeah.

Robert Kiyosaki: I said, "Sweetheart, when you can operate without a paycheck for 25 years, then you can talk to me."

Michael S.: Yeah, yep.

Kim: Michael, you said one other thing that was key. You said, "We put in a great team." I think all entrepreneurs have had problems with people and with partners. What was the key in terms of putting in a great team?

Michael S.: Well, in the book I talk about a couple pieces of that. One is you want to hire somebody for the good, and the bad comes at no extra expense. What I mean is nobody's perfect, but you have to take into account that every person has blind spots. So, for instance, at TIGER 21 where I'm the chairman, I'm not a great manager. So, I brought in a great management team. So, I think what allows entrepreneurs to scale is when they admit their own limitations and fill those blind spots by the rest of the team. But if you don't have an ego that allows yourself to be surrounded by people who are sometimes better than you are, you'll never build a great team.

Kim: That's so well said, because we see so many self-employed people who just have to be the smartest person, and so they cannot bring smarter people around them and therefore their company never grows.

Michael S.: Yeah.

Robert Kiyosaki: So, Michael, really thank you for your contribution.

Michael S.: Thank you.

Robert Kiyosaki: Final words for your listeners about being entrepreneurs?

Michael S.: It's the place that you can fulfill your most important professional dreams and aspirations. If you want to be a creator, you want to do something good, you want to change the world, you want to make people's lives better, be an entrepreneur and see if you can make it happen. If you can, it's the greatest thrill of a lifetime.

Robert Kiyosaki: Amen, Michael, amen. Thank you for your contribution.

Michael S.: Okay.

Robert Kiyosaki: Thank you.

Kim: Thank you, Michael.

Robert Kiyosaki: Bye.

Michael S.: Thank you.

Robert Kiyosaki: When we come back, the most popular part of our program, Ask Robert.

Speaker 5: You're listening to The Rich Dad Radio Show, with Robert Kiyosaki.

Robert Kiyosaki: Welcome back. Robert Kiyosaki, The Rich Dad Radio Show, the good news and bad news about money. Once again, listen to this program on Rich Dad Radio anytime, anywhere, on iTunes or Android on your schedule. Kim and I just got back from Paraguay, Argentina and Brazil. It's really nice to have people come up and they say they love the program. They listen to it religiously. So, it's on their time and their schedule. Once again, all of our programs are archived at richdadradio.com. Richdadradio.com, because repetition is how we learn. Today's guest, Michael Sonnenfeldt is a very important guest, especially for those of you who are considering or already are entrepreneurs. He is the founder and chairman of TIGER 21, so thank you to him.

My biggest complaint is that we have fake money today, after 1971 when Nixon took us off the gold standard and they could print it. Then we have fake teachers who are still telling people to go to school and get a job. As Michael says, the jobs are drying up due to technology. So, the idea of going to school to get a job ... The people they should maybe talk to are the schoolteachers who don't know what to do if they lost their job. For Kim and I, one of the reasons we started the Rich Dad company is both our fathers lost their jobs, right, Kim?

Kim: Yes, that's exactly right. That's one of the main reasons why I wanted to become an entrepreneur, because I saw my dad put all of his life into a company and then all of a sudden it's gone, and he had no control. So, I definitely wanted control over my future.

Robert Kiyosaki: I was just out on the road in Peru, I don't know, a couple of years ago, and this guy came up to me and he says, "Ah, I don't have to worry. I'm working with a big bank. I have job security and I'm an executive." I saw him not too long ago, and he said to me was, "I should've listened to you, because I'm 50 years old, I'm from Peru, and I got replaced by a 30-year-old from Pakistan who speaks Spanish," and I went, "Congratulations." So, now he's trying to figure it out, you know? He's starting over.

So, that's why Michael's book Think Bigger: And 39 Other Winning Strategies from Successful Entrepreneurs, is as Kim and I were talking about in Paraguay, Argentina, and Brazil, the reason most people are struggling or in the rat race from my Cashflow game is because they had fake teachers. Their mother and father told them to go to school and get a job, and that is old advice today. Not that they're bad people, like my poor dad was a very good man, but he had no idea what he was talking about. He could not see the future coming. Today, as most entrepreneurs know, your competition is not your competition. Your competition is the future.

Kim: One other thing is that what I love about TIGER 21 is how better than to surround yourself with all these mentors? I mean, Michael's a pretty smart guy because if there is any such thing as a shortcut to entrepreneurship, it's being with a good mentor who's doing what you want to be doing and learning from them.

Robert Kiyosaki: I think one of the things I loved about him is called portfolio defense.

Kim: Yeah, that was good.

Robert Kiyosaki: That's not what we do here. We have a financial statement defense, income, expense, asset, liability. All advisors are required to show and tell. You know, you'd be surprised what stuff it bring up. People are terrified to tell the truth about their financials. So, that's why we have the Cashflow game. Play the game, and if you have the courage, put your real numbers in there. Don't lie. Or get a bookkeeper to put them in there for you. You'll see nirvana very quickly.

So, once again, thank you for submitting questions to Ask Robert. You can submit your questions to askrobert@richdadradio.com. So, Melissa, what's your first question?

Melissa: Robert, our first question today comes from Blake in Los Angeles, favorite book Rich Dad Poor Dad. It says, "Robert and Kim, since you are both essentially the brand of the Rich Dad company, what if any are your plans to ensure the company or your legacy lives on after your passing?"

Robert Kiyosaki: That's a great question. The company was designed for the legacy alone. That's why I have Cashflow clubs. We have thousands of them all over the world, people teaching people. Where Michael Sonnenfeldt teaches people who have at least 10 ... It's really about $40 million to join his TIGER 21. The Rich Dad does not discriminate in that, because we believe in people teaching people. So, we created the Cashflow game so long after we're gone, and we have Cashflow coaches and clubs and all of that, people can teach people. [crosstalk 00:47:36].

Kim: Two other things. Number one, we've also designed it so that the cashflow from all of our investments continues on. When we pass, they don't get sold. The cashflow continues on and we donate all of that money. So, the more we rev up our cashflow ... People keep saying, "You know, when's enough enough?" Well, if we can give away more and more and more, wouldn't that be a better thing? So, we have that going on. The second thing also is that we have had these discussions and it's all in writing. We know exactly what would happen with our company if we were to pass tomorrow. It's all written, it's all legal, and it's important that you think about that if you're an entrepreneur.

Robert Kiyosaki: And my latest book is Why the Rich Are Getting Richer. At the back of the book are 10 lessons. They're video lessons from Rich Dad TV, and in there Kim and I are talking about how our goal is to pass on $100 million in cashflow, not net worth. $100 million a year in money to responsible charities, because a lot of fake charities too, all over the world. So, people say, "Well, if you have a $100 million to give away ..." I said, "Not today. By the time we pass on, definitely have $100 million." That's our goal. So, maybe the thing you should do is have a goal as to how much money you plan to pass on into perpetuity after you're in the ground. Next question, Melissa.

Melissa: Our next question comes from Amy in Lakeland, Florida, favorite book Rich Woman.

Kim: Yay Amy, go girl.

Melissa: Amy wants to know, do you review and receive pitches from aspiring business owners? If so, what is the number one thing you look for in deciding to invest in a business?

Robert Kiyosaki: Notice they don't ask me that question, because I shoot them down hard.

Kim: Eh, they're asking you, too. Go ahead. [crosstalk 00:49:19].

Melissa: Yeah, it's to both.

Kim: It's to both.

Melissa: It's to both of you.

Kim: It's to both of us.

Robert Kiyosaki: I am brutal on it, so that's why people stopped asking me. I'm always pitch, "Hey, I got an idea." I said, "Good, keep thinking." Next question. Yeah. I'm former Marine, I really have no patience for that stuff.

Kim: Well, I mean, we don't analyze business deals but I would say this, the three things that I've talked about in business is number one, your product or service has to solve a problem, number one. Number two, you got to figure out how you're going to get it out, how you're going to get it known to people. Number three is how you're going to grow your company. So, those would be three things off the top, not to mention of course the people aspect, which I believe is the most difficult part of all.

Robert Kiyosaki: And what Michael Sonnenfeldt says, again, founder of TIGER 21, is most people don't think of investments. The difference with Kim and I, we started investing first before we started a business. That drives most people crazy. "Well, how do you invest?" I said, "Well, that's why we invest, because that's the most important thing. Why start a business if you have no place to go to it?" So, for those who have followed the Rich Dad company or have read Rich Dad Poor Dad, in the book I say in there, you know, my business is real estate. That was Ray Kroc of McDonald's. It goes over most people's heads, but if you look at the Cashflow quadrant, which is book two, Es and Ss work for money. Kim and I don't work for money. We're Bs and Is.

Kim: So, E self-employed.

Robert Kiyosaki: Self-employed.

Kim: B is business owner, big business, and I is investor.

Robert Kiyosaki: Yeah. The big business is 500 employees or more. So, what we do at Rich Dad, the B quadrant Rich Dad can only teach people with other businesses, but our primary I quadrant, investor quadrant, is real estate. So, when people ask what model did Rich Dad follow? It was Ray Kroc. Our business is real estate, so we started off as investors, but it's not really investing in real estate. As we say in Why the Rich Are Getting Richer, our latest book, it's really about using debt and taxes to invest. So, Kim and I use 100% debt much of the time, so our returns are infinite but also the government legally gives us tax breaks. So, we pay sometimes zero taxes on millions of dollars. That's really what we teach, and that's what Why the Rich Are Getting Richer, out now, is for you. Next question, Melissa.

Melissa: Our next question comes from [inaudible 00:51:40] in New York, favorite book Rich Dad Poor Dad. It says, "How do you keep on going or stay strong and encouraged when a business situation becomes tougher and tougher?"

Robert Kiyosaki: That's a fantastic question, because that's when, you know, that old saying, "When the tough gets going, that the going gets tough." Or as Michael Sonnenfeldt, founder and chairman 21, says the marshmallow effect. You know, most people eat the marshmallow. I mean, I would. But anyway, what happens is when the going gets tough, that's where growth takes place. That's where you either grow up or you crash. So, every time I'm stuck with a major problem ... and most of them are inside of me as Kim knows. I create my own problems.

Kim: We all do.

Robert Kiyosaki: But, it's time to grow from the inside, mentally, emotionally, spiritually, and physically. So, we all have problems. The trouble is, do you grow from your problems or do you give up? [inaudible 00:52:33].

Kim: Yeah, well that's why I always say entrepreneurship is the fastest way to personal development, because you're going to face problems all the time. We've had problems where we literally said, "Is this time to shut the door?" You got to take a long, hard look in your-

Robert Kiyosaki: Oh, I say that every day.

Kim: Well, you got to take a long, hard look inside to see if you've got that fortitude to keep going.

Robert Kiyosaki: I eat that marshmallow every day and then I get back to work.

Kim: If you are going to be an entrepreneur, you got to know that you are going to face problems every single day. So, if you don't like facing problems, do not become an entrepreneur.

Robert Kiyosaki: Yeah. Stay an employee, get that job 9:00-5:00, that security, and pretend the company loves you. Next question, Melissa.

Melissa: Our next question comes from [Arturo 00:53:17] in San Antonio, Texas, favorite book Rich Dad Poor Dad. It says, "Did it take years for the newbie investor to understand fully the flow of the stock market, or can we simply stand on the shoulders of the giants who know best?"

Robert Kiyosaki: That's a fantastic question, because the Rich Dad company was founded for one thing: we're about to crash. Okay. I'm a student of money, not the stock market, but every 10 years the markets crash. So, the big first crash was 1987, which was about '88, followed by 1998, which was longterm capital management. The Russian ruble default, which almost brought down the world economy. So, it was 1987-1998, 1998-2008, and now we're at 2018. Ladies and gentleman, this is time to get ready for the crash. It's going to be the biggest in world history. I hope I'm wrong. See, I predicted in my Rich Dad's Prophecy it would happen in 2016. The only reason it didn't happen is because the Federal Reserve Bank and Wall Street printed more money. The trouble is they took a problem of $700 trillion to $1.2 quadrillion. Next crash is going to be bigger than anything we've ever seen before.

So, my recommendation is to start thinking if you lose your job or you lose your business, what assets are you going to count on? I wouldn't count on the dollar. I would be going to Swiss francs, gold, silver right now, because I think we're that close where 2018 is on the horizon. Best start preparing now. Final word on that is I talk about real teachers and fake teachers and real money and fake money. We've had this gentleman on our program before and he talks about the collapse of Zimbabwe, where $300 trillion took to buy an egg. That's in the future of the U.S. dollar possibly. So, ask yourself what's real. When Zimbabwe crashed, the things that were most important were toilet paper and tampons. That's the way he started to ask himself "What is real?" Thank you for the question. You can submit your questions to askrobert@richdadradio.com, and thank you for listening.