Intro: This is The Rich Dad Radio Show, The Good News and Bad News About Money. Here's Robert Kiyosaki.

Robert: Hello. Hello, Robert Kiyosaki, The Rich Dad Radio Show, The Good News and Bad News About Money. And we broadcast from beautiful old town, Scottsdale, Arizona, is either heaven or hell, and right now it's cold as hell. But anyway, we have a fantastic program for you because in the Rich Dad tradition. There are four basic asset classes and the four asset classes are business, real estate, paper, which is stocks, bonds, mutual fund, ETF and cash, and then commodities, gold, silver, Bitcoin, oil and food.

Robert: So today we're going to be talking about the asset class that most people are in, which is paper assets. And I really know very little about it. I've taken three companies public. And it's to say about making sausage, if you saw what went into a sausage, you wouldn't eat the stuff. So after taking three companies public and with Toronto Stock Exchange, I stay away from paper assets.

Robert: But nonetheless, 90% of all people are in paper assets. So in keeping with that, we have two of my personal advisors is Andy Tanner and I'm John McGregor. Andy Tanner is a Rich Dad advisor on paper assets. He's the author of Stock Market Cash Flow and the popular 401k(aos). And we have John McGregor who has been, his neighbor in Hawaii, 25 years, assisting people as a financial planner and he's author the book, The Top 10 Reasons Why The Rich Go Broke.

Robert: Today we're talking about what we see for the future into 2021, because as you know, 2020 could have been the biggest year from hell, but I don't think hell is over yet. So, 2020 I think is the appropriate number because 2020 you can look backwards and you can look forward. And so we're going to look backwards and we're going to look forward, because 2020 was for many people, a disaster, and for others was the best year they ever had. So with that said, Andy, welcome to the show, and, John, welcome to the show. And let's start with Andy. How was 2020 for you? Good or bad?

Andy: It's one of the best years I've ever had in a lot of ways. With the COVID hitting, it created a buying opportunity for a lot of great stocks in the dip. We were telling people, we don't think this is the big one because we think the government will print money and try to save it. So we felt like we picked up a couple of good bargains and I think that's actually going to continue, Robert. I think in 2021, stocks are actually going to go higher because I think they're going to continue to print. But I will tell you personally, I love 2021. I like staying home and I had just a great time with my family. So both professionally and personally, it was a great year. It felt bad for those who have lost loved ones, of course, and those that have struggled, but I'm very optimistic 2021 for where things will go.

Robert: All right. Thank you. And then Mr. McGregor, what do you have to say, John?

John: Well, I can't wait for the ball to drop in New York City on December 31st and call it a year. But, and I know a lot of people have struggled this year. I've gotten the emails and the messages from people. You can just hear the sheer desperation in their voice. So I'll be glad to see this year gone. But for me personally, it's been a great year. I've just put my head down. I've worked my tail off and gotten a lot more done than I probably ever have. And I think like Andy said, there're just tremendous opportunities in this COVID crisis that many people took advantage of and they did quite well.

John: So I'm ready for 2021. I'm gearing up for it. The time has flown for me. I can't believe it's December. And I think once this COVID thing gets under control, which it looks like it will. I think 2021 in the markets are going to be exceedingly strong as Andy says. So I'm very optimistic.

Robert: Okay. Do you guys know anybody who's been hurt financially, like closed businesses down?

Andy: Oh, it's been, particularly those that congregate, right, obviously. And the ones I feel bad for are some of my favorite restaurants around aren't going to be around anymore. And there's been others, there was a coffee shop that basically put on Facebook and said, "Look, if we don't have a good month, we're gone." And the line of cars was clear down the road, so people rallied to save the business. But it'll be interesting to see how it unfolds, for sure.

John: Yeah, for me personally, I know several friends that are business owners, particularly restaurant owners, not only locally, but, Robert, in our home State of Hawaii, that have shut their doors for good and they'll never come back, sadly. I've had numerous calls from former classmates saying, "I can't live here anymore. I got to get out. Where would you recommend me moving to?"

Robert: They're from Hawaii?

John: So, pardon me?

Robert: From Hawaii or California?

John: From Hawaii. From Hawaii, yeah. And then also we're seeing a mass exodus out of California to places like Idaho, Texas, Florida. There's rarely a day that goes by that I don't meet somebody, a new person at my gym that is talking about Idaho, of all places, leaving California to move to Idaho. So yeah, it's really affected a lot of people, a lot of close people that I know.

Robert: Got it. All right. So, I hate to say good, but, hate to say this people are warned.

Andy: Yeah.

Robert: You know what I mean? To sit there, and the reason this is a very important show to sit there and hope the economy comes back. I mean, you might as well go see your proctologist. You know what I mean? Because this one changed everything. And so, if I could toot my own horn, that's why I wrote Rich Dad's Prophecy. I said the biggest crash was coming in 2016 and it was four years off. And so today we're setting, and that's when I was on Wolf Blitzer show on CNN, the communist news network. And I'm just, hey, they don't like what we have to say.

Robert: But anyway, so Rich Dad is a capitalist show and we're not socialists or communists, so that's a very big, different show. And I think people are deserting the communist Republic of Hawaii and California and New York in droves right now, and so same with Washington and Oregon. It's a very different time. So with that said, Andy, why did you write the book Stock Market Cash Flow and 401k(aos)? I mean, what was your motivation for doing it, because there's a lot of work to write a book?

Andy: Yeah, especially for me, Robert, because I don't spell. But well I'll start with 401k(aos), I just feel that to be blunt, people with 401ks, you're going to get screwed. And as you often say, there are three sides to every coin. There're heads, there're tails, and intelligence has found when you can come to the edge, because that's where I can see both sides. And all 401k(aos) is, is the other side. You have Wall Street, what do they get out of it? What is their vision of 401k? How do they see it? You have the tax ramifications and you have the employer who gets a great break when he can just cut you off and say goodbye. So all that book is, is the other side of the coin so people can walk into that with their eyes a little bit more wide open.

Andy: As far as Stock Market Cash Flow goes, I think that so many people want to buy low and sell high and think that investing in paper assets is about trying to time the market. And they don't understand that much like a real estate investor could be a flipper. Well, a stock market guy could be the trader. But a cashflow real estate investor is going to get money on a monthly basis and in a consistent amount. And that's possible in the stock market as well, so that's why we wrote that book.

Robert: Yeah, but also was Stock Market Cash Flow and 401k, you can make money going up or down. Whereas a lot of times people who are in paper assets, they drank the Kool-Aid, which is invest for the longterm in a well-diversified portfolio of stocks, bonds, mutual funds, ETFs. And then the market crashes on them and then they learn nothing.

Andy: Yeah, I mean, if you were to have a house burn down, you would have insurance. And as that house burns down, you're going to get paid for that. And most people don't know that's possible in the stock market, that when it crashes you can get paid. And that's why guys like Mark Cuban, you know Mark Cuban sells his company to Yahoo for $6 billion in Yahoo stock. Why didn't do cash? Well he thought the stock might go up. Well, he was wrong, but he got paid tremendously because he bought insurance.

Andy: So those are the things a lot of people don't know are available. They're certainly not available in a 401k and so that's our message. You mentioned, you don't like to say, "We told you so," but we told you so. And I'll tell you, Robert, one thing about 2020 that I thought was interesting is we had so many Johnny-come-latelys. So many people, all of a sudden when things got bad, "Well, now I want to get educated. Now I want to get educated." And then the government props things back up and says, "We're going to send you a check." They go, "Oh, I guess I don't need to be educated now." I'm just telling you, I believe strongly that we'll have another rise in the market as we stimulate and stimulate. But I also will tell you that this market doesn't reflect the true value that's behind it, it's detached-

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Andy: It doesn't reflect the true value that's behind it. It's detached from what we call fundamentals. It's just detached from reality. And so, it's not going to last forever. I don't know when it'll go, but the time to be educated isn't going to be... You don't put your seatbelt on during the car wreck. And so, we had a lot of Johnny-come-latelies wanting to get educated for a while, and then it was like, "Oh, the government's going to take care of us. I guess I don't need to know this." No, people, well, it's their choice. They can choose to learn or not, but don't be a Johnny-come-lately, right? Get it done now. That's my biggest message.

Robert: And I think that's why John McGregor is a certified financial planner with over 25 years. He's also trained financial planners, the reason he's an advisor, plus a good friend, rugby player. But the top 10 reasons why the rich gold broke is people are not ready for changes, are they, John? They think everything's going to be the same as yesterday.

John: Oh, absolutely. Yeah. [crosstalk 00:00:11:01].

Robert: Go ahead. Go ahead.

John: No, I was just going to say everyone thinks everything will work out on its own. And I think Andy nailed it on the head. It's always after the fact, that's when people want to get educated or that's when they want to take action. I wrote that book because of the 25 years I've been working with thousands of people and have seen just countless train wrecks. And I really focused on the wealthy because those are the alluring stories that I used to tell you about, Robert. And that's what prompted me to write that book.

John: And although the book is about why the wealthy go broke, and these are specific people that I knew, that I saw had everything and they lost it all, this book is really about why so many people go broke and why so many people are living paycheck to paycheck and can't get out of their own way. They're stuck in their old habits and way and behaviors. And so, that's why. And the overarching theme is learning from people's successes as smart, but learning from people's mistakes is genius. And that's what this book really is about, learning from people's mistakes.

Robert: And so, you've dealt with people with money and then they lose it all. And I'm quite certain as many people today, well, you're in 2020, who lost at all, like those small restaurant owners and things like this. So really that's why we're going to be talking about what you see in the future. But I think the biggest lesson I have for people listen to this is don't think 2021 will be like 2020 because it's going to be changing so rapidly from here. And I think that's the secret to success.

Robert: So with that, I'm going to be talking about, let's start with Andy. With me, I sit there and I don't trust the Fed because of much of academic radical left liberals, like [inaudible 00:12:54] and those guys that are college professors. And same as Janet Yellen. Well, does Biden, and so as Clinton, and so as Obama, and they see the world differently because they went to great schools. And they're out of touch with the guy on the street. That's the biggest problem with them.

Robert: And as my rich dad always said, the trouble with the Fed is they take from the poor and they give to the rich, and that's what's happening today. They take money from the poor via taxes, inflation, and all this, and they print money and they jack it into the stock market. So everybody's sitting there fat, dumb, and happy with the stock market going up. But meanwhile, the gap between rich and poor gets exceedingly wider. And if there's another crash, the guys like Andy and John will get out early, but the poor and middle class will be left holding the bag as they always do. Any comments on that, Andy and John?

Andy: Well, I would say I couldn't agree more with the Fed being out of touch. I think the Fed is back then, they painted themselves into a corner. I don't think they have much choice with what they can do or can't do. I think they have to print. I think it's important to study history, right? And as you look at the Fed and how it came about and has developed, really changed with long-term capital management. When they were going under they said, "Hey, we're going to go under, and our liability is supposed to be another person's asset. So when we go down, Bear Stearns goes down, there's a domino effect." And that was a blow to capitalism, in my opinion, because they said, "Well, for the greater good of society, we can't let these big, rich guys fail, so let's pump money into them."

Andy: Capitalism is about having a little pain once in a while. Guys are going to succeed. Guys are going to fail. That's part of the system. So as soon as they went from just buying bonds, government bonds to bailing out private banks, that really changed. And the Fed at that point, they opened up a can of worms, where when you think about Robert, if you're a bank, aren't you going to go max leverage to make as much money as you possibly can if you know that if you fail, they'll just buy those assets from you? I would go crazy if I was a Wall Street institution. I'd lever up as much as I could because they're going to bail me out.

Robert: Well, that's the game. Like I said, the Fed has one game, which is a take from the poor and give to the rich. Now, the patient system is part of that process. That's why there's no financial education in our schools. We've got to go to break. But when we come back with going to John and we'll be talking more about what you see, what you can do, because I'm more optimistic about the future. We made so much money this year, but we're prepared for it. Of course, I'm not in the stock market. I don't have stocks, bonds, mutual funds and ETFs. So with that, we'll be right back.

Robert: Welcome back. Robert Kiyosaki, the Rich Dad Radio Show: The Good News and Bad News About Money. Our guests today are [inaudible 00:16:05] advisers, Andy Tanner, his books are the Stock Market Cash Flow and 401(K)AOS, and John McGregor, certified financial planner, Top 10 Reasons the Rich Go Broke. You can listen to the Rich Dad radio program anytime, anywhere on iTunes, Android or YouTube. And also, all of our programs are archived at richdadradio.com. We don't sell anything. We don't give investment advice or tell you what to do with your money. That's what John McGregor does.

Robert: Anyway. So you can go to Rich Dad Radio, listen to this program again, because repetition is how you learn best. But most importantly, you have friends, family members or business associates who are thinking 2021 will 2020, or 2019, even worse, I think you're a twinkle toes and you've been drinking the wrong Kool-Aid. Now with that, we're going to go into what people can do with paper assets. Remember those four types of asset classes, businesses, real estate, paper, and commodities. And so, we're talking today about all of you guys with stocks, bonds, mutual funds, ETFs and cash. So, John, what do you see? John McGregor, what do you see coming for 2021? What are you excited about and what are you concerned about?

John: Well, I'm excited for it and I'm anxious to get into it. And I'm just worried about so many of the other people that aren't, that are just sitting on the couch hoping that things are going to work out for them. And the Johnny-come-latelies, as Andy talks about. So I think if you're proactive and you're willing to learn and educate yourself, there's a myriad of opportunities for you, regardless of who's in the president, who's in the Oval Office. I look at my 90 year old father and he is knee deep in Andy Tanner's options class, and he's killing it in options. He's making 10 to $15,000 a month trading options. He's a 90 year old, and he's done it for fun, not that he needs the money, it's more of a hobby for him. But there's a perfect example of something that somebody can be doing right now.

Robert: So, Andy, what are you excited about 2021 for? Besides John's father doing your options course.

Andy: That's pretty impressive, age 90. My dad's 83 and he wants nothing to do with anything I say, so that's pretty good, John. Robert, one of the blessings I've had from hanging out with the adviser team, yourself, Kim and John, is my context has shifted tremendously. And it really becomes clear to me where most people's context is very, very different. For example, two things. A lot of people think that success in stock market is about your ability to predict the future and say, "Well, Andy, what's your predictions? Is it going up or going down?" And my answer to that is, "Well, I don't know and I don't care." So a totally different context.

Andy: Another thing I've learned is people think that success is a function of the investment rather than the investor. In other words, they'll say, "Well, Andy, should I buy stocks? Or should I buy real estate? Or is gold better?" And it's really not about that. I can find failure in real estate, business, commodities, gold, big point, I can find success. So if you look at Richard Branson in business or Kenny Mackleroy in real estate or Warren Buffet in stocks, I see that success as being a function of the investor rather than an investment.

Andy: And when we'd done the Rich Dad Radio Show, invariably people write in and ask for advice all the time. And if I say, "Well, go buy gold," you didn't learn anything. If I say, "Don't buy gold," you didn't learn anything. If I say, "Well, gold is spongeable," well, now we start learning something about gold. So when people say, "Should I invest in stocks or not?" I say, "Well, are you good at investing in stocks? Because if you're not educated, you're going to suffer." I would just say this, the stock market to me is a machine that transfers money from the uneducated to the educated. End of story.

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Andy: There's money from the uneducated to the educated. End of story.

Robert: All right. That sounds good to me. John, what do you want to say to people about their ... The reason I talk about paper assets as a category is because paper assets are liquid and real estate is not. Gold, silver, Bitcoin are liquid. Real estate is not. Businesses are not liquid. And so when somebody says, "Well, should I jump into real estate?" I go, "You've got to be an idiot. Stay with your 401k." So I'm not against a 401k. I'm not against stocks, bonds, mutual funds. It's exactly as Andy says, "If you're an idiot, you're going to lose your money. I don't care what asset class you're in."

Andy: Robert, you just made a really important point about liquidity. Warren Buffet owned Delta Airlines and he owned Fruit of Loom underwear. One is traded. One is not. He woke up one day after COVID, said, "I'm done," and sold all his airlines in one day, gone, liquid out. If he wanted to sell Fruit Loom, he wouldn't be able to do that because it's not a traded business. And then the other point you made, that's really important about paper assets is, paper is the most widely held asset class by the average person because of 401ks and IRAs and stuff like that. I would say, and I don't have data to back it up, but it'd be my opinion that there is no asset class that people are more involved in with less education than paper assets.

Andy: If I find a real estate guy, if he's been around a few years, he probably has to know some or he'd have been wiped out long ago. So the reason this program is important is, does it make sense to you and to your spirit to say, "Should I invest my money in something I don't understand?" If the answer to that is no, well then start to understand or get out and invest in something else.

Robert: Correct. And then this, I'll plug my book here, it's called Who Stole My Pension. It came out in January of 2020. And that's going to be the next crash is when people find out that Wall Street, the Fed, and the Treasury ripped them off through the shadow banking system. Anyway, John, what do you have to say to people about investing in paper assets?

John: Yeah, no, that's my thing. I'm a firm believer in paper assets. I also believe in real estate. I just don't know much about it and in commodities. And I certainly have my own business, but I'm a paper assets guy, particularly because of the liquidity and the ease of being able to get in and out. I will say, Andy and I debate on the 401k topic, and I am in favor of a 401k for most people. But I'm willing to look at an alternative. If someone has a better idea to help people save for retirement, I'm all ears. But right now, that's the system we have. And I'd much rather have a 401k today than a pension. At least I can see my money. I can roll it out. It's a lot cheaper than a 401k.

John: I do have the ability to manage it a little bit myself. So for those reasons, I encourage people who aren't willing to educate themselves, who aren't willing to be proactive, to at least take advantage of that. In many cases, you're getting free money from your employer. I just looked it up today, the average balance in a 401k plan is $100,000. That's not great, but if it wasn't for a 401k, the average savings for an individual would be zero, would be goose egg if there was no 401k. So anyway, that's my-

Robert: That's why we have Andy with his book called four 401(k)aos. What warnings? I mean, there's not a right or wrong as Andy talks about the three sides of a coin, heads, tails, and the edge of the coin. You've got to see both sides. So with the person sitting there with 100 K inside their 401k, 100,000 in the 401k, what risks do you see for them, Andy?

Andy: Well, if you want to look ... I think one of the big mistakes people make, Robert, is they see a pension and a 401k as similar and they could not be more different. If you read the book Rich Dad Poor Dad, on about page 37 is where your life changes, where you see a financial statement drawn out in a picture. That's where that book changed my life. I was like, okay, now I understand how this works. Well, if you look at a financial statement, a pension is a function of the income statement. A 401k is a function of the balance sheet. So pension is about income from a company that lasts you for the rest of your life if it's solvent. A 401k is a function of net worth, where you're building something in your asset column, supposedly, but it's really in Wall Street's assets column Assets Under Management.

Andy: So even that shift from pensions to 401ks, think about that. You took a fundamental shift from a function of cash flow to a function of net worth and no one even freaking knew the difference. So if you're going to be in a 401k, John says the average balance is 100,000, but the median is 70. Robert, that means half the people in those things. I mean the bottom half, that's a year's worth of money. So you're going to go from 65 to 90, with 70 grand. And if the market crashes and cuts it in half, now, you've got $35,000. So the issue I have with a 401k is if you're expecting to retire with dignity in a 401k, well, read somebody's book, mine or somebody's. But I'm just saying the data says that ...

Andy: Look, when I went to school, I got about half the answers right and I got an F anyway. If you only do half as well, you get an F in school. If half the people have 70 grand, that's a failed program. Now, if you're an executive that makes a million a year and you pack it away in your 401k, you might have something. But for the average guy, that's probably listening to this, the wants to do better. You name one person, name one person in this world that said, "I was poor and broke. I put my money in a 401k and now I'm rich." I just don't think that happens. I haven't found anyone-

John: All right. Well, tell that to the United Mine Workers, 86,000 retirees, whose plan is going to be insolvent in three years, that's a pension plan.

Andy: I wouldn't disagree with that. You know, the-

John: Tell that to Iron Workers Local 17 in Ohio. They just reduced their benefits by 30%. And they're going to say, "Well, they've got the PDGC, which is the insurance. That's insolvent in two years. So here's the example, Andy. Put $15,000 into a 401k. And the average return of the stock market has been 10% roughly. Let's give them an 8% rate of return over 30 years.

Robert: What?

John: That's $1.8 million.

Andy: Well-

John: So, I mean, I would- -

Robert: John, you sound like a fucking financial planner right now.

John: I would much rather have a 401k where I know I see the money rather than some hope and promise that, "Hey, John, if you stick with us for 30 years, you're going to get 80% of your salary and you're going to get 5 grand a month for the rest of your life, maybe. Maybe, we think." And now we know pensions are blowing up.

Robert: Let me step in here. Let me step in here. A pension is called a defined benefit pension and a 401k is a defined contribution. It's exactly as Andy says, they're opposite. There really are different things.

John: Right.

Robert: When I got out of the Marine Corps, my classmates went to fly for a little company called United Airlines. And in 2005, Wall Street ripped off their pension. So that's why I wrote this book here Who Stole My Pension. Before we end, I want to say this much, because being a hardcore PERMA bear pessimists on the stock market, reason I'm not in it is, my guys who are ... they're saying the biggest crash is still coming in the stock market. So if you're sitting there with a pension and you're sitting with a 401k, and I think it's Schiff and ... who's the other guy? They're saying by April, there's going to be this crash because you can't keep pumping fake money.

Robert: Remember the fed takes money from the poor and gives it to the rich. And so the rich is the stock market. So everybody's floating around happy as Larry, with the stock market going higher than higher. But the pessimists like me are saying, "It can't last forever." I just want to know, you guys, will you ... John, will you guarantee 8% every year on a stock market?

John: Oh, absolutely not. No way.

Robert: Andy, would you?

Andy: No.

Robert: So that's the point. That's the point. You see, as a person who invests in real estate and in businesses, and gold, silver, Bitcoin, I control my returns. The reason I'm not in the stock market is, I don't have much control. And it gives more control by trading options and all that as your dad does. And John does the same thing. Right, John? I mean-

John: Yep, I trade options. Yeah.

Robert: Yeah.

Andy: Robert, you hit it on the head-

Robert: But John, you don't sit there and diversify and hope for the longterm, do you?

John: No.

Andy: That's right. That's right. Robert-

Robert: No. So that's the point. Yes.

John: Yep.

Andy: Yep. You hit it on the head. I would not be involved in stocks without options. That'd be like buying a house with no insurance. I wouldn't do it.

Robert: Or drive in a car without insurance.

Andy: Absolutely. Look, an option is a guarantee. That's where you get your guarantee from. I can sell at any price I want or buy at any price I want if I have the option to do so. And I can't imagine being involved in stocks without options anymore than my real estate would have no insurance.

Robert: Right. John, what do you want to say about buy, hold, and pray for the longterm for 30 years ...

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Robert: What do you want to say about buy, hold, and pray for the long term for 30 years in the 401(k)?

John: Oh, that's the old buy, hold and hope, right? That is not an investment strategy, I don't believe. I mean, I-

Robert: That's what financial planners teach.

John: That's true, that's true, because [crosstalk 00:30:19] they're buy and hold. They're buy and hold. They don't have a buy, hold, and sell strategy or an option or insurance strategy like Andy's talking about. Totally agree.

Robert: Anyway, so we're a financial education company. I just wanted to make sure there was a differences for you guys. The advantage of stocks, paper assets, those are liquid. It's also the disadvantage. And so, if you know the disadvantage, then there's things you can do, which is what Andy teaches, which is options, which is what John does, which is options, called insurance. If you understand that, you might have a prayer. You might actually make more money off of options than you do from the stock, if you know what you're doing. I took options trading for three years, and my brain... I'm a real estate guy. I'm very slow to understand it.

Robert: So with that said, and final words. Thirty seconds, Andy, final words for anybody who love paper assets.

Andy: If you own paper assets, you can look at it two ways. You can say I'm either owning a business or I'm trading a stock. If you want to do it like Buffett does, own the business, understands its financials, understand the balance sheet, understand the income statement, understand the debt, understand the assets and liabilities. Then you're a true business owner with the advantage of if you don't like what you see anymore, you can leave with liquidity.

Andy: But if you're just trading a stock... Look, Warren Buffett wants people to buy cans of Coca-Cola so he can get a dividend. In the same way Robert would invest in Kenny to share in the rents, Buffett buys Coca-Cola to share in the profits from Cola drinks. He has no interest in the price of Coca-Cola stock going up and down. He owns a business, not a stock. If you're in paper assets, treat it like owning a business, not a stock.

Robert: Thank you. With that, John MacGregor, who says you should own a stock, not a business. I'm only kidding you.

John: Oh, no, no, no, no, no. Let me be clear. When I take ownership in a company, I buy that stock. I believe in that company. I'm a owner of that company. That's how I view that purchase of that investment.

Robert: So, you consider yourself, if you buy a share Coca-Cola, you're the owner of that company?

John: I am a part owner of Coca-Cola. Absolutely. Yeah.

Robert: [crosstalk 00:32:36] talking about is you own a share of a company?

Andy: Yeah.

Robert: Yeah. No. We talked about this earlier. It's really the difference between someone successful in this and someone who is not, is all in mindset. Andy talked about that earlier, and that's the difference between success and failure. It's your mindset around your money. When you treat your money and when you invest and you treat it as if you are owning that business, that's a whole different mindset than just trading a stock for a quick fix or a quick profit. It's a completely different mindset. So as we approach the end of the year, I just urge people, get educated, get involved, get proactive, whatever asset class that excites you or interests you.

Robert: Because I'll tell you, although we do believe the market's going to go up this coming year, the big fall is coming. I mean, the fed just cannot continue to print money to no avail without any kind of harsh ramifications or consequences down the road. The tsunami's coming, so just prepare yourself. Now's the time to do it.

Robert: So I would highly recommend you get Andy Tanner's book, Stock Market Cash flow, and then 401(k)aos, you understand both sides of the coin because you can make money either way. And John MacGregor's book, The Top 10 Reasons Why the Rich Go Broke. I'm ask final question, yes or no.

Robert: Andy, if the stock market crashes, will you get richer?

Andy: Yes.

Robert: John, the stock market crashes, will you get richer?

John: Absolutely.

Robert: And that's the answer.[inaudible 00:34:18] you don't give a shit, that's the answer. Okay. So what that says, that takes financial education. Get their books and you'll be all lot happier. You'll sleep a lot better and you'll make more money. So thanks, you guys.

Andy: Thanks, Robert.

John: Thank you. Thanks, guys [crosstalk 00:34:32].

Robert: When we come back, we're going with a final word. We'll be right right back. Thanks, guys.

Robert: Welcome back. Welcome back. Rich Dad Radio Show, the good news and bad news about money. Listen to Rich Dad Radio program, anytime, anywhere on iTunes, Android, and YouTube, and you can also, all of our programs are archived at richdadradio.com. We archive them because we do not give financial advice and we don't sell that stuff. But we want you to listen to this program again because repetition is how we learn best, and if you listen to this program again, you'll learn more. But more importantly, if you have friends, family, and business associates who love the stock market with a 401k, this is your best program for them. Best Christmas gift you can give them.

Robert: I also want to thank John and Andy Tanner, John MacGregor, Andy Tanner. Andy Tanner's book is Stock Market Cash Flow and 401(k)aos, and John MacGregor is The Top 10 Reasons the Rich Go Broke. And you understand they both are in paper assets, but they see it differently, yet they don't plan on being losers. And that's the biggest difference of all because if what I suspect is coming, everybody knows is coming, is this giant crash, is the people who are fat, dumb, and happy will get wiped out, and that's what we do not want. So get their books as a cheap insurance policy.

Robert: So final word is this is is that in 1974, when I got out of the US Marine Corps, I got a job at Xerox. And so I'm in downtown Honolulu on Bishop Street, this beautiful office building and all this, and in 1974 was when the first 401k came out. Now, all of a sudden they're looking for financial planners. The difference was I had already started investing in real estate while I was still in the Marine Corps. I got out in '74, I already had a couple of properties. They were hiring school teachers, and anybody who followed a mirror and a guidance counselors, whatever it is, they're advertising, "Come be a financial planner!"

Robert: So at night after working at Xerox where I was learning how to sell to become an entrepreneur, because entrepreneurs, we got to sell, that's why I was there. I would go and listen to these guys pitch me on the 401(k) and why I should sell them. The difference was I had a rich dad and a poor dad, and I was already in real estate. And the more I listened to that 401(k), the more I wanted nothing to do with it. Now, it doesn't mean that you shouldn't have something to do it, and that's why we have John and Andy on board because you have to know the pros and the cons.

Robert: The biggest problem with real estate is you have to be pretty smart because if there's a crash you can't get out. That's why you have to be 10 times smarter for real estate, and you can be the village idiot in a 401(k) as long as it keeps going up. But the moment it comes down, which everybody thinks it's due to correct like 2008 again, then the 401(k) will get wiped out. So anyway, that's kind of my lesson.

Robert: At Rich Dad Company, we don't sell any assets and all that. Definitely don't do real estate, definitely don't start a business unless you're willing to invest first in your education. So again, I want to thank Andy Tanner and John MacGregor, get their book, and I thank you all for listening to the Rich Dad Radio Show.