

**RICH  
OR  
POOR**  
**YOUR CHOICE**



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***“It is not how much you make that counts  
but how much money you keep.”***

**–Robert Kiyosaki**

**H**ave you ever wondered how a rich person was able to accumulate so much money? Perhaps you've taken notice of a poor person and found it perplexing, or even upsetting, that he just didn't have any money no matter how hard he worked.

***What determines who will be rich and who will be poor?*** The reality is that your money mindset helps *you* determine whether you'll be rich or poor.

This book addresses the differences between the mindsets of rich and poor people when it comes to money. ***Each section explores a specific way of thinking about money and the widely contrasting views taken by the rich and poor.*** You'll be enlightened about how you can alter what you think, feel and believe about money in order to “think rich.”

## **RICH AND POOR PEOPLE THINK DIFFERENTLY ABOUT MONEY**

Consider the following stories detailing the lives of a person who *thinks poor* and another who *thinks rich*:

Paul appears to struggle financially although he's a hard worker. He speaks often of not having enough money to pay his bills. Paul sees himself as a poor victim of how life goes. When you talk to Paul, he wonders aloud why he “can't ever get anywhere” financially.

James is a busy guy. People who know him say he's very focused on his goals and dreams. If someone wants him to do a job, he figures out a way to do it. James researches possible new investments—he knows you have to invest money to make money. James thinks about and plans for his financial future. He recognizes he's in control of his current and future finances.

***Paul and James have very different mindsets:***

Paul thinks like a poor person. He openly focuses on negatives in his life, especially when it comes to money. His entire persona revolves around the positions of having no money or capacity to get ahead financially. Paul feels powerless to change his life and blames external circumstances for his financial situation.

On the other hand, James spends the bulk of his thoughts, time and efforts ensuring his future financial success. He's flexible about the work he accepts and believes it's worth it to invest his dollars to produce more money. James believes only he has the power and the responsibility for his financial life and he's determined to make the most of it.

Do you believe that anyone can become wealthy, if he has the proper mindset? By the same token, ***can you see how your mindset largely determines whether you're on your way to building affluence or creating sabotage in your own financial life?*** Read on to learn more about the differences in the rich and poor mindsets.

***I don't think of myself as a poor deprived ghetto girl who made good.  
I think of myself as somebody who from an early age knew  
I was responsible for myself, and I had to make good.***

**–Oprah Winfrey**

## “LACK” VS. ABUNDANCE MINDSET

An important contrast in how poor and rich people think is the “there’s not enough” mindset versus “look at all the ways to increase cash flow” way of thinking. You might say that the poor view money with a “lack” mindset — there’s not enough money, there’s nothing to do to make money and this is “all I can expect from life because I’m poor.”

The rich, on the other hand, recognize there’s abundance everywhere. Wealthy people notice that abundance, seek to attract it, and take advantage of events and situations around them. They see low-hanging fruit right in front of them and know that all they have to do is pluck it from the tree to produce wealth. ***The rich think about cash flowing in and how to make it happen.***

***“I no longer want to be rich because I am rich.”***

**–Uri Geller**

## WHEN OPPORTUNITY KNOCKS

Throughout life, you encounter many opportunities that could affect your existence in a variety of ways. ***People who think poor often fail to notice the opportunities that surround them.***

And when they do, the poor’s first thoughts are to what it will cost them to take advantage of the opportunity. The wealthy, however, view these junctures much differently. Getting back to Paul and James:

Paul works full-time but doesn't make as much money as he would like. He tries to find part-time jobs at the local discount and home improvement stores but it just never pans out. In his neighborhood of smaller homes, several single parents struggle to take care of their property due to working all the time.

Lawns need mowing, bushes need trimming and homes and driveways need power-washing. When Paul drives down the street, he thinks, "I wish these families would take care of their properties."

One day, when chatting with his disabled neighbor, Sam, Sam said, "I wish I was able to mow those people's lawns. It would be a great way to spruce up the neighborhood and earn some extra money." Paul replied, "Well, it would be a lot of wear and tear on your lawn mower. Plus, think what it would cost you for gas for the mower. And gosh, it would take up your weekend."

James lives a few blocks away from Paul and Sam. James, too, drives by all the homes requiring maintenance. One Saturday morning after James mowed his lawn, he drove down the street and thought, "Hey! Why don't I contact the people whose lawns need mowing and offer to do it for a reasonable price?"

"It would cost me some time, the use of my mower and more gas but I also stand to make money from doing a bit of extra work that will help everyone. Let's see, if I charge each house \$35 and mow just three lawns once weekly, I'd make over an extra \$100 a week. I could do the mowing on Saturdays or Sundays. I think I'll stop at these houses right now to offer my services."

As you can see, Paul did not see the opportunity that presented itself. And when Sam mentioned wishing he could tend the yards for extra money himself, Paul responded with a litany of what the opportunity would cost.

James, on the other hand, had his eyes wide-open when a chance to make some extra money presented itself. He figured up what he could make and moved ahead.

You're right, Paul is thinking poor and James is thinking rich. Who do you think will be earning those extra \$100+ dollars weekly?

***“Everything we would ever need to become rich and powerful and sophisticated is within our reach. The major reason that so few take advantage of all that we have is simply, neglect.”***

**–Jim Rohn**

## INVESTING

It seems feasible to believe that everyone wants their dollars to grow. After all, if you've got a choice between making money, maintaining what you've got, and losing money, aren't you going to choose making money?

Investing money can be scary. Someone who thinks poor will react to a down investment market by holding on tighter to his funds. He'll fear losing his money. He figures he can't afford to take the risk. ***A poor person experiences great difficulty looking past the fear of losing money to the possibilities of actually making money on an investment.***

Yet, if you take a look around, wealthy people do just the opposite whenever the bottom drops out of the market. When stocks are at their lowest and the economy is the scariest, people like Warren Buffet will tell you it's the time to save money by buying high-performing stocks.

The rich are excited about the prospect of making more money from a new investment. They're willing to spend some time to research individual stocks and the stock market atmosphere to make the most informed investment. Plus, ***a rich-thinking person will listen to the advice of the wealthy and watch to see how the affluent are behaving in such a market.***

A rich person will consider how much he stands to make from an investment. He'll look up the historical and current earnings for that investment and research the stock thoroughly.

While the poor hold on tight, are consumed with fear, and come from a "how much will I lose" perspective, the rich go after information, remain open to the possibility they'll make more money, and spring forth to make investments from the position, "How much will I make."

***"Poverty is an anomaly to rich people; it is very difficult to make out why people who want dinner do not ring the bell."***

***–Walter Bagehot***



## SHORT-TERM VS. LONG-TERM THINKING

***One of the enduring characteristics of people who are poor is the over-focus on short-term money issues.***

Concerns like, “There’s no money left after paying bills” stifle one’s ability to look further down the financial road to grow their money over time. Rich people recognize the importance of long-term thinking when it comes to finances.

The rich know that getting hung up on “how will I pay the mortgage next month” skews one’s money focus away from the future. If you think about the fact that your money will build for you over time as the affluent do, you’ll focus less on the short-term picture. After all, thinking short-term will stand in the way of your long-term success.

Plus, when you think long-term about your financial life, you’ll do whatever’s necessary to save now.

***“Planning ahead is a measure of class. The rich and even the middle class plan for future generations, but the poor can plan ahead only a few weeks or days.”***

***–Gloria Steinem***

## PRICE VS. VALUE

When it comes to shopping and spending money, the poor and the wealthy have very different mindsets about how to handle their money. The poor tend to adopt the mindset of shopping for the cheapest buys and focusing only on the immediate costs. The poor person asks, “How much does it cost?”

In contrast, the rich think of the long-term value of owning whatever it is they’re thinking about buying. As the poor think, “Gosh, this is such a great deal. I can’t pass it up. I’ve got to buy it for this price,” the rich consider issues like, “Is the item of good or exceptional quality, how long will the item last, and will I use it enough to get more than my money’s worth?”

Consider another example with Paul and James:

Paul goes shopping at the local home improvement store and spots the latest lawn mower for sale. He thinks, “Wow, this is a great price. How can I pass it up?”

James browses the same store’s aisles. He spots the sale sign above the lawn mower display. He considers, “This is a good price. Is the mower sturdy? Will it help me be more efficient when I mow? Could I use it to make money? Will I spend less time mowing if I buy this mower? I think my money would be better spent on a new blade for my current lawn mower, which runs fine.”

***While the poor are seeking cheap pricing, the rich’s mindset is not to buy anything that doesn’t fulfill a purpose or that won’t have long-lasting value.***

Don’t be surprised to hear a rich person say, “It’s not a good deal if I don’t need it or it’s not going to be of value to me in a year or two.”

***“The real source of wealth and capital in this new era is not material things... it is the human mind, the human spirit, the human imagination, and our faith in the future.”***

**–Steve Forbes**

## **WHO’S THE BOSS?**

***Have you ever noticed that usually the business owner has more money than the employee?*** When it comes to differences in the rich and poor mindset, think about who’s the boss.

The poor are either trying to find a job, waiting to get a job, or making an effort to keep hold of a job. They report to others and earn a paycheck. Poor people rarely look further than their next check.

Interestingly, the rich prefer to work for themselves. They strive to be their own boss. They prefer to reap more of the profits that their work yields. ***The rich have confidence in their own ability to make decisions and run their businesses.*** The mindset is, “I’m smart enough and responsible enough to be my own boss. Plus, I’ll make more money and accomplish more goals.”

Bear in mind that although there’s nothing wrong with being an honest employee, it’s wise to avoid allowing yourself to become too comfortable with someone else being your boss. If you’ve got a good idea on how to make money, trust yourself. Be your own boss and do everything you can to develop your idea. You could grow wealthy by taking charge of your work life.

Besides, when you trade your time for dollars as an employee, there's only so far you can go, and only so much money to be made from that position. ***When you reap the benefits of others' time, as an employer, there's no limit to your earnings.***

***“Whatever qualities the rich may have, they can be acquired by anyone with the tenacity to become rich. The key, I think, is confidence. Confidence and an unshakable belief it can be done and that you are the one to do it.”***

**–Felix Dennis**

## DEALING WITH CHALLENGES

A key aspect of life is dealing with all kinds of challenges. Money challenges will happen. And whether you have the poor or the rich mindset will largely determine how you deal with these special financial situations.

***When an unexpected challenge takes place, poor people tend to make all kinds of excuses.*** They feel psychologically overwhelmed, become emotional, and avoid confronting the challenge or doing anything constructive by trying to explain why the troublesome event occurred.

The rich, however, again show their different mindset through their responses. When met with a financial challenge, rich people begin right away to problem-solve. They confront the issue to figure out how to make the situation work. They'll think creatively to seek resolutions to the troublesome situation.

You might say that rich people rise up to meet the challenge, while poor people focus on finding excuses for the trying situation.

***“Whatever the mind of man can conceive and believe, it can achieve. Thoughts are things! And powerful things at that, when mixed with definiteness of purpose, and burning desire, can be translated into riches.”***

**–Napoleon Hill**

## **POWER**

It might sound redundant to say that feeling empowered is powerful. Yet, ***when it comes to comparing how rich and poor people approach their financial lives, feeling empowered galvanizes the rich into positive action.***

While poor people see themselves as victims of circumstance when it comes to their money, rich people truly believe they can create the life they seek.

The rich take responsibility, control and action when it comes to their finances. Plus, having the mindset to believe you’ll be successful at something most likely means that you’ll achieve whatever you set your mind to.

Rather than sit idly back and behave like a victim who has experienced some terrible circumstance, rich people see the power they have in their own lives and they use it.

***“Money is plentiful for those who understand the simple laws which govern its acquisition.”***

**–George Clason**

## **DREAMS**

Our dreams are made up of those wonderful things we want to have happen in our lives someday. Have you ever considered that your dreams largely determine the direction your life will take?

Your dreams are, in a sense, a part of your mindset. What you think about and wish for is closely connected. ***Do you spend some time each day thinking about your dreams?***

***Poor people tend to dream small.*** It’s feasible that their fears of failure prevent poor people from having big dreams. The most they believe they can hope for is getting a \$1 an hour raise at work or getting a bit of money back from their income tax return.

***Rich people dream big.*** They dream of starting their own businesses and making \$50,000 the first year \$100,000 the second year, and so on. It stands to reason that people do everything possible to make their dreams come true. If your dreams are small and limited, so, too will be your success in all things, including finances.

***“The greatest good we can do for others is not just to share our riches with them, but to reveal theirs.”***

**–Zig Ziglar**

## LEARNING

When you examine your beliefs and thoughts about learning, what is your reaction? Do you have an open and accepting mindset when it comes to taking in new information? Or do you find yourself feeling you already know all there is to know about making the most of your money?

When it comes to poor people, their minds are often closed to learning. ***The poor see learning about money management and how to make more money as a waste of time.*** After all, they believe they understand money and what it takes to earn it.

They simplistically (and mistakenly) believe they don't have money because "there isn't any left" after paying the bills. The poor's minds are closed to new ideas.

On the other hand, the mindset of the rich related to learning is much different. Those who think rich constantly seek more knowledge about money. They recognize there's always some new tidbit related to finances that, when applied, will help their money multiply. ***The more your mind is open to new financial knowledge, the richer you'll be.***

***"I teach something called The Law of Probabilities, which says the more things you try, the more likely one of them will work. The more books you read, the more likely one of them will have an answer to a question that could solve the major problems of your life... make you wealthier, solve a health problem, whatever it might be."***

**–Jack Canfield**

## CASH FLOW

***Understanding cash flow and how it will keep you financially solvent is integral to living a stable financial life.***

Your cash flows in from your paycheck, side jobs and dividends or interest paid on stocks and investments. Then cash flows out to pay good and bad debts. The key to financial success is to cultivate ways to increase your cash flow.

Poor people pay little attention to the concept of cash flow. Instead, they do things like spend all the money they get and hoard the material items they purchased with the money. If and when they experience a financial crisis, what good will those material items do them?

Wealthy people, however, understand and apply the basic principles of cash flow. Their mindset is to use the knowledge they've gained regarding cash flow to make their money work for them. Rich people understand the necessity of cultivating as much monthly cash to flow in as possible. Also as important, the affluent keep an eye on the cash for expenses that flow out.

Rich people have the mindset that their finances on a day-to-day basis largely depend on their cash flow. They focus on developing more streams of incoming cash and limiting outgoing cash, unless it's considered to be "good debt."

***Good debt is a debt that, when paid, will ultimately result in more profits later to you.*** Here's an example of good debt: You buy 10 boxes of chocolates at a price of \$5 per box totaling \$50. You already have buyers for the candy who will pay you \$10 per box (totaling \$100).



Your total profits will be \$50. So the \$50 debt you paid upfront for the candy is “good debt” because you’ll get back that amount, plus a profit of \$50 when you sell the candy. This good debt will actually ultimately increase your cash flow. You make money on a good debt.

The contrast to good debt is “bad debt.” ***Bad debts are monies you pay out that bring you nothing in return.*** Your cable bill is a bad debt because it yields you no profits.

It’s fair to say that poor people tend to experience cash flow struggles because they don’t focus much on increasing incoming cash and decreasing outgoing cash, unless it’s to pay bad debts.

Rich people build incoming cash flow and consider paying good debts (to make profits and, thus, increase cash flow) as the smart thing to do to keep building wealth.

***“The more I study the wealthy... in an effort to learn how to help more people around the world become one of them... I’m stunned by how many people are actually not rich.”***

**–David Bach**

## TIPS FOR CHANGING YOUR MINDSET

Now that you have a better grasp regarding the numerous differences in the mindsets of poor and rich people, you might want to change some aspects of your own mindset when it comes to your money.

**Try these tips to help you transform your mindset so you, too, can live a rich life:**

1. **Affirmations.** Use affirmations to alter your concepts and beliefs about money. Affirmations are sayings you recite to yourself throughout the day.

When you allow yourself time to repeat and re-read an affirmation many times, *you'll soon believe the ideas behind the affirmations you're repeating.* You'll make it happen.

➔ Here are some sample wealth affirmations you might like:

- ▶ I am open to all opportunities to make money that come my way.
- ▶ I see the power I have over my own finances.
- ▶ When money challenges happen, I take every step to meet them head-on and take active steps to resolve them.

2. **Positive self-talk.** Another effective way to change your money mindset is to use positive self-talk. When you talk to yourself about money, focus on being as positive as possible. Here's an example of positive self-talk:

➔ I know that I can create another income stream this month. To make extra money, I can help my friend, Sara, run her café on Saturdays. Plus, I can wash my elderly neighbor's car each month.

3. **Meditation.** Meditation is an excellent method to manage stress and clear your mind. A mind that is less stressed and rested is, therefore, more open to developing a new, more positive, more effective money mindset.
4. **Visualization.** Similar to meditation, visualization techniques involve imagining a picture in your mind of what you want to have happen. You might form an image of sitting on a bed surrounded by piles of money or relaxing on a vacation you paid for with cash you earn and save.
  - ➔ ***Visualization techniques allow you to set up the image that will be most compelling, reinforcing, and successful in adapting the mindset of the rich.***
5. **Journaling.** When you journal your thoughts, ideas, and feelings about money, you can increase your mental clarity and spot ineffective ways you're managing your funds. Also, journaling will allow you to consider more efficient ways of thinking about your money. Journaling is a powerful way to change your financial mindset.
6. **Spend time with people who have the "rich" mindset.** No doubt one of the best methods to transform your money mindset is to hang out with those who already live their lives applying the positive, effective ideas and beliefs of wealthy people.
  - ➔ You can learn simply by observing how these friends manage their money. Plus, you'll be privy to conversations about their lives which will reveal much information about their successful money mindset.
  - ➔ ***Model your behavior and develop the beliefs about money that your affluent friends share.*** If you do, you'll change your money mindset in no time.

7. **Develop a business mastermind group.** A mastermind group is usually made up of a small number of people that have a variety of experience and interests in life, yet all are seeking the same thing—success in their business lives. You can search for a compatible group online or in your own community.

***“It is a wise man that does know the contented man is never poor, whilst the discontented man is never rich.”***

**–Frank Herbert**

## SUMMARY

Paul and James are probably both nice fellows. They work hard. They want the best lives they can have. But their money mindsets place them eons apart. What Paul and James believe about money and their own capacity to successfully deal with money and make decisions determine their financial situations. Paul thinks poor and James thinks rich.

***Your mindset about money largely determines the kind of financial life you’ll lead.***

Those who think their lives have abundance are thinking rich while those who take on a “lack” perspective are thinking poor. When opportunities are right in front of people, those that snatch them up and take advantage of them are thinking rich.

Poor people tend to avoid investments as they have fears about how much money they can lose. Rich people, upon hearing about an investment,

explore it with an open mind and consider how much money they can make. Rich people don't allow their fears to prevent them from going for it.

Poor people think about their money in the short term while rich people consistently consider the long-term effects of their choices related to money. Poor people concern themselves with the price of something rather than its actual value to their lives, as wealthy people do.

When it comes to dealing with challenges, poor people tend to look for excuses and someone to blame for the terrible thing that's happened. On the other hand, rich people rise up to confront the challenge and figure out ways to make things work in their favor.

***A person who thinks poor has the mindset that he has no power in his life.*** He is just a victim of unfortunate circumstances. He doesn't consider he can actually do something about it.

A rich person holds the opposite mindset. He recognizes the power he has in his own life and finances.

Poor people dream small. Rich people dream big. This mindset determines how far a person will go to accomplish his goals. The bigger the dreams, the more you'll push to achieve them.

Learning is an important aspect of one's mindset when it comes to money. Poor people are averse to learning and don't see exposing themselves to new information as important. Their minds are closed.

***Rich people have a thirst for knowledge, especially related to their money and finances and will do whatever is necessary to gain new, valuable info to apply in their lives.***

Poor people pay little attention to the ideas related to cash flow. A rich person's mindset, however, is poised to consider all aspects of cash flow — incoming, outgoing and good versus bad debt.

In order to alter your money mindset to that of a wealthy person, many helpful techniques are available. Some of them are using affirmations and positive self-talk, practicing meditation and visualization, journaling, hanging out with friends who have rich mindsets, and developing a business mastermind group.

Use this book to explore your money mindset and take steps to transform how you think about money.

***You have the power to change your money mindset.*** Learn to think rich and live the life you desire!

***“Being broke is a temporary situation. Being poor is a state of mind.”***

**–Mike Todd**

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