







# Cashflow Quadrant: Steps for Moving Towards Wealth

Reading Time: 10 minutes

Are you looking to build wealth and become more successful? Maybe you want a method to follow to help you get there. The cash flow quadrant may be able to help you.

But what is it, how does it really work, and can it really help you become wealthy? Find out all about it here.

## What is the true meaning of the cashflow quadrant?

Before we get started, what is the cash flow quadrant? What does it mean?

Each of the quadrants represents a way that you can make money or earn an income. There are four quadrants in total. It's fairly simple once you know the basics.

## Who created the 4-way cash flow?

Who created this system? Robert Kiyosaki, the author of [the book Rich Dad, Poor Dad](#), is the one who came up with it. It's featured in his book [Cashflow Quadrant](#).

## What are the 4 cash flow quadrants?

Now let's get into the details. What does each of the quadrants stand for? We'll go through each of them separately.

### Employees "E"

The first quadrant is quite common. This is where many people start out – the quadrant of employees. An employee works for someone trading their time for money.

There are many different jobs where you could be an employee, but the basic understanding is that you get wages based on your effort, and you don't own the business that you work for.

### Self-Employed "S"

The next quadrant is that of the self-employed. Many people think that this is where you want to get to, but in reality, it's similar to being an employee.

You work for yourself, but you still have to put in the hours and effort necessary to succeed. You are still trading your time for money, even if you aren't working for an employer.

This can be a good quadrant to start out in, but it isn't one of your better long-term options. I'll explain why soon.

### Business Owner "B"

