

THE RICHEST MAN IN BABYLON

Success Secrets of the Ancients

GEORGE S. CLASON

MAIN IDEA

Ahead of any person lies their future with ambitions and dreams. To fulfil those ambitions and realize those dreams, people need to learn how to be successful with money.

The basic principles of effective money management are:

1. Save at least 10-percent of all that you earn for an investment fund for the future.
2. Learn to live on 90-percent or less of your income.
3. Invest your accumulated capital into projects that will provide a safe, steady income, taking full advantage of compounding of the interest received.
4. Invest only in areas in which you have expertise or with people who are experienced.
5. Buy the house in which you live so you don't waste any money on rent.
6. Have a realistic insurance program
7. Always keep working at various ways and means of increasing your income.

1. THE MAN WHO DESIRED GOLD

While almost everyone concedes that money isn't everything and that there are some things money cannot buy, it is also a fact that money is the medium by which earthly success is measured. From this perspective, wealth is a scorecard by which people measure

6. THE GOLD LENDER OF BABYLON

In the field of investment, it is far better to have a little prudent caution than to end up with nothing but regrets.

2. THE RICHEST MAN IN BABYLON

The key principle at the very foundation of any program designed to generate wealth is at least one-tenth of all that a person earns is theirs to keep.

7. THE WALLS OF BABYLON

Babylon built the largest, most influential and wealthiest city of ancient civilisation through the trading skills of its citizens.

3. SEVEN CURES FOR A LEAN PURSE

The seven steps given above can be used to cure a lean purse, and ensure that sufficient capital is available to secure the future and achieve all ambitions.

8. THE CAMEL TRADER OF BABYLON

Where determination is, the way can be found.

4. MEET THE GODDESS OF GOOD LUCK

Good luck comes to the person who accepts opportunity.

9. THE CLAY TABLETS FROM BABYLON Anyone who is struggling under the burden of debt lacks any ability to think rationally, and to accumulate wealth. It is much more productive to take positive action and get out of debt before embarking on any program to accumulate wealth.

5. THE FIVE LAWS OF GOLD

The five laws of gold are the secrets of success which separate wealth builders from all others.

10. THE LUCKIEST MAN IN BABYLON People create their own luck by the level of work and commitment they put into a project.

1. THE MAN WHO DESIRED GOLD

Main Idea

While almost everyone concedes that money isn't everything and that there are some things money cannot buy, it is also a fact that money is the medium by which earthly success is measured. From this perspective, wealth is a scorecard by which people measure themselves.

Supporting Ideas

Money represents success only through its ability to provide freedom to do things. It is not an end in and of itself - only a means to an end. The possession of sufficient amounts of capital makes possible the enjoyment of the very best services and goods the world has to offer.

Many people have convinced themselves money has a way of avoiding them like the plague. This belief is usually based on their experience in which they are always cash short and scrambling to pay bills. In actuality, however, money is plentiful for anyone who understands the laws which govern its acquisition. To secure significant amounts of money, it is probably better to spend less time lamenting the bad luck of the past and more time focusing on the laws of acquisition of capital.

Interestingly, throughout the ages, there have always been some people who have had more money than others. Was this just a stroke of luck on their part, or are there laws that make this possible?

Anyone who accepts that luck plays a major role has as good a chance as anyone else to strike the jackpot during their lifetime. However, depending on luck rather than effort also means the same person is willing to accept that nothing can be done to change whatever destiny luck allocates.

A far better approach is to believe that money can be attracted and governed by set laws and principles, and to focus on learning and applying those laws to reap the rewards.

Key Thoughts

"A man's wealth is not in the purse he carries. A fat purse quickly empties if there be no golden stream to refill it. Arkad has an income that constantly keeps his purse full, no matter how liberally he spends."

-- Kobbi

2. THE RICHEST MAN IN BABYLON

Main Idea

The key principle at the very foundation of any program designed to generate wealth is at least one-tenth of all that a person earns is theirs to keep.

Supporting Ideas

Anyone with a desire to accumulate wealth and put it to good use requires two things:

1. Time.
All men actually have this in abundance, but only a few put it to use making themselves wealthy. Instead of looking for constructive, useful ways to apply the resource of time, many people fill their lives with diverse activities which simply help them to pass the time.
2. Study.
There are two kinds of learning that are useful to anyone seeking to generate wealth - learning about specific subjects and learning how to find out what is not commonly known about any topic. Both kinds of learning are useful and valuable.

There are several basic principles which apply to the acquisition of wealth:

1. Live on less than you earn.
Most people labour to pay their bills. They feel successful when they have been able to get to the end of the month and pay all their accounts and obligations. Yet, at best, this is just treading water from the perspective of building wealth.
A real change in perspective comes when a person makes a commitment to pay themselves first each month, before anyone else. It can be as much or as little as thought wise just so long as the amount saved is one-tenth or more.
The vast majority of people are accustomed to spending everything they have available. Therefore, if a person pays themselves first and then lives on the remainder of their income, their lifestyle will adjust accordingly. Before long, the person will not even be aware they are living on less, and their capital reserves will gradually increase.
There is a tremendous feeling of pride, self-control and progress which comes from the establishment of a regular savings program. In everyone's lifetime, a lot of money passes through their hands over the years. If a person will keep just a small proportion of that money, they will eventually have a sizeable pool of capital available.
2. Seek advice from those who are competent to give it through their own experiences.
Once capital starts to build up, a vast array of investment opportunities will present themselves. Some of these will be genuine, some sinister, but the bulk will be doomed to failure with only a marginal chance of succeeding.
The key factor in looking at any proposal is to examine the background of the people making the proposal. Have they actual experience in that field of business, or are they simply giving you an opportunity to use your capital in pursuit of their idea?
3. Another key principle is to make the children of your savings also work for you.
The accumulation of wealth moves forward much quicker when a person allows the effect of compound interest to work in their favour. Instead of frittering away the interest received

on capital accumulated, put that interest out to work in other projects which have the potential to earn additional income.

In that way, the small stream of wealth accumulation that is started by always paying yourself first and keeping a portion of all that is earned turns into a mighty river with force and power to move ahead strongly.

The accumulation of wealth should be an exciting and adventurous project rather than a source of misery. Make the journey into an adventure and start enjoying that now, rather than waiting for some magic threshold to be reached at which point you can start having fun.

Life is full of many good things which are worthwhile and good value for money. Don't become so focused on saving that you miss out on all the good things there are to enjoy along the way.

Key Thoughts

"If you have not acquired more than a bare existence in the years since we were youths, it is because you either have failed to learn the laws that govern the building of wealth, or else you do not observe them."

-- Arkad

"The thoughts of youth are bright lights that shine forth like meteors that oft make brilliant the sky, but the wisdom of age is like the fixed stars that shine so unchanged that the sailor may depend on them to steer his course."

-- Arkad

"Wealth, like a tree, grows from a tiny seed. The first copper you save is the seed from which your tree of wealth shall grow. The sooner you plant that seed, the sooner the tree shall grow. And the more faithfully you nourish and water that tree with consistent savings, the sooner you may bask in contentment beneath its shade."

-- Arkad

"Wealth grows wherever men exert energy. If a rich man builds him a new palace, is the gold he pays out gone? No, the bricklayer has part of it and the labourer has part of it and the artist has part of it. And everyone who labours upon the house has part of it. Yet when the palace is completed, is it not worth all it cost? And is the ground upon which it stands not worth more because it is there? And is the ground that adjoins it not worth more because it is there? Wealth grows in magic ways. No man can prophesy the limit of it."

-- Arkad

3. SEVEN CURES FOR A LEAN PURSE

Main Idea

1. Start thy purse to fattening
2. Control thy expenditure
3. Make thy gold multiply
4. Guard thy treasures from loss
5. Make of thy dwelling a profitable investment
6. Insure a future income
7. Increase thy ability to earn.

Supporting Ideas

Anyone with a desire to accumulate wealth starts with an empty purse which they hope their life's labours will fill to overflowing.

The steps in doing this are:

1. Start thy purse to fattening.

Every person earns a great amount of money over the course of their entire working life. If they were to put aside one-tenth or more of the money that passes through their hands year in and year out, they will have access to a significant pool of capital on which to begin accumulating wealth.

Expenses have a way of expanding along with a person's income. The more a person earns, the more it seems they need to spend to live in the lifestyle to which they are becoming accustomed.

This can also be used to the advantage of the person trying to accumulate wealth. If you adjust your thinking to live on just 90% of your income, before long you won't even feel like you're missing out on anything by having a regular saving program.

2. Control thy expenditure.

Never confuse necessary expenditure with desires. Most people have more desires than their earnings can meet. Some people also work under the mistaken impression that a wealthy person can have absolutely anything they desire - if they just have enough money. In reality, even people with great capital reserves have desires which are unfulfilled.

To develop a regular savings program, distinguish between necessary items and desires in your own lifestyle. Look at which desires you can leave unsatisfied without any regrets. Those are the items that should give way in order to enable a regular savings program to become part of your life.

Probably the only practical way to maintain a regular savings program is to establish a budget.

3. Make thy gold multiply.

While it is highly satisfying to have a regular savings program, this is just the start of a wealth accumulation program. The trick is to put that gold out to work in other projects which will generate additional earnings.

A key to any man's wealth is the establishment of an ongoing income stream which can generate wealth irrespective of any other factors. In this regard, capital reserves accumulated through savings should be applied to other profitable projects.

4. Guard thy treasures from loss.

Accumulated capital has a way of attracting a large number of unlikely projects on which it can be frittered away.

The first principle of making a sound investment is to protect the capital invested.

Before investing capital in any business field, become familiar with the dangers and pitfalls that can occur. It is far better to generate additional income more slowly than to lose your principal amount.

In particular, take advice from people who have experience in handling money for profit. They are more likely to be able to save a person from losing their original capital investment.

The ideal characteristics of an investment are that the principal is safe, it can be reclaimed whenever required and it earns a fair rental.

5. Make of thy dwelling a profitable investment.

If a person is living on 90% of his income and can set aside a portion of that income into a profitable investment then he is accelerating the growth of his fortune. The way to achieve this is by purchasing the house in which you live instead of renting.

Money spent on renting a house can just as easily be applied to the servicing of a debt through which the home can subsequently be owned freehold.

6. Insure a future income.

A wise person will prepare for the future by ensuring that a regular income is available when he is no longer able to work or should he prematurely die. Irrespective of the present income stream a person has, a portion of all income should be applied to a regular savings program (separate from the wealth accumulation fund) which will provide income in the future.

In the case of insurance, the wealth builder should take out necessary insurance to provide a large sum of capital for the family's future well being in the event of an early death.

7. Increase thy ability to earn.

Every wealth builder must constantly be on watch for ways in which earning power can be increased. This may take the form of increased education or training, more dedication or even a complete change of career.

For the majority of people, however, there is room to enhance earning power within the profession they are already in. An increase in desire coupled with persistence, concentration and more wisdom are the most common ways to increase earning power.

Key Thoughts

"Many things come to make a man's life rich with gainful experiences. To respect himself, a man must pay his debts with all the promptness within his power, not purchasing that for which he is unable to pay. He must take care of his family that they may think and speak well of him. He must make a will of record that in case the Gods call him, proper and honourable division of his property can be accomplished. He must have compassion upon those who are injured and smitten by misfortune and aid them within reasonable limits. He must do deeds of thoughtfulness to those dear to him."

-- Arkad

4. MEET THE GODDESS OF GOOD LUCK

Main Idea

Good luck comes to the person who accepts opportunity.

Supporting Ideas

Everyone hopes to attract good life in their business careers. In fact, the desire to be lucky is absolutely universal. Some people believe luck is entirely in the lap of the Gods, and that nothing one does can possibly influence the amount of luck one enjoys.

In reality, however, many people have impressive opportunities presented to them which they fail to take full advantage of because of procrastination.

To attract good luck, a person must take advantage of every opportunity that presents itself. The person of action, who is able to jump at whatever business propositions are presented, is in a stronger position to attract good luck than the type of person who sits back and waits for everything to be presented on a plate.

Key Thoughts

"If a man be lucky, there is no foretelling the possible extent of his good fortune. Pitch him into the Euphrates and like as not he will swim out with a pearl in his hand."

-- Babylonian Proverb

5. THE FIVE LAWS OF GOLD

Main Idea

The five laws of gold are the secrets of success which separate wealth builders from all others.

Supporting Ideas

1. Gold comes greedily in increasing amounts to any person who will save not less than one-tenth of their earnings to create an estate for the future well being of their family.
2. Gold labours diligently for the person who wisely selects a profitable way to apply it.
3. Gold clings to the possession of the cautious investor who seeks the advice of people with investment experience.
4. Gold slips away from the person who invests in business fields which are unfamiliar or which are not used by those without experience in investments.
5. Gold flees the person who forces it to try and generate impossible earnings or who follows the advice of tricksters or confidence men, or who trusts it to his own inexperience and romantic desires in investment.

Key Thoughts

"Wealth that comes quickly goeth the same way. Wealth that stayeth to give enjoyment and satisfaction to its owner comes gradually, because it is a child born of knowledge and persistent purpose. To earn wealth is but a slight burden upon the thoughtful man. Bearing the burden consistently from year to year accomplishes the final purpose."

-- Kalabab

"Our wise acts accompany us through life to please us and to help us. Just as surely, our unwise acts follow us to plague and torment us. Alas, they cannot be forgotten. In the front rank of the torments that do follow us are the memories of the things we should have done, of the opportunities which came to us and we took not."

-- Kalabab

6. THE GOLD LENDER OF BABYLON

Main Idea

In the field of investment, it is far better to have a little prudent caution than to end up with nothing but regrets.

Supporting Ideas

Whenever a person starts to accumulate wealth, they will be besieged by people who are anxious to use that money in their own endeavours. Out of the proverbial woodwork will come numerous projects and proposals, all with the common aim of separating the possessor from their capital.

There are several things to avoid when considering any business proposals:

1. Some of the most persistent people seeking funding usually are close family members. Most of these projects will turn out to have only a marginal chance of succeeding at best, and more likely most projects will have virtually no likelihood of success at all.
Even worse, if you invest in a family member's project that does not succeed, the borrower will resent you even more. It's a no-win situation that should be avoided at all costs.
2. The safest loans are made to people who have possessions far outweighing the value of the loan required. In this situation, the lender can act secure in the knowledge that other assets can be sold to repay the loan if required.
3. People in the throes of great emotional upheavals rarely make good investment decisions. Avoid them.
4. People who borrow for successful business projects tend to be absolutely prompt in their repayments. People who borrow to repay money lost through their indiscretions rarely make a habit of promptly making repayments.
5. Merchants who have knowledge and experience in their field of trade make excellent credit risks. By financing the business activities of these merchants, wealth is generated for the entire city.
6. Capital reserves have a way of slipping away from anyone unskilled in applying it wisely. Therefore, first seek security of the principal when evaluating any investment proposition. Next look for safe, dependable and steady ways to make the capital increase.

Key Thoughts

"Better a little caution than a great regret"

-- Mathon

7. THE WALLS OF BABYLON

Main Idea

Babylon built the largest, most influential and wealthiest city of ancient civilisation through the trading skills of its citizens.

Supporting Ideas

The name Babylon conjures images of wealth and splendor.

On the whole, these images are quite valid because the city of Babylon was one of the richest cities in the world. This was quite an achievement because Babylon had no natural resources, was not located on a trade route and was situated in an area with insufficient rainfall for the raising of crops. All of Babylon's riches were man made.

All Babylon started with was fertile soil and a river. Babylonian engineers diverted the water from the river through a series of dams and canals right out into the valley. This was one of history's first engineering feats, and it resulted in the most abundant crops in the world of that era.

Babylon, in addition to excellent engineers, was very lucky to be ruled by a successive line of kings with wisdom, enterprise and justice. In this stable political climate, trade flourished and Babylon became very wealthy. A large wall was built around the city to protect it from invading armies. It is estimated the walls were around 20 metres high, built of brick and surrounded by a deep moat of water.

Money was first introduced as a means of exchange in Babylon. The city had a number of merchants, financiers and traders. Commerce was highly developed, with streets and shops orderly laid out.

Babylon fell about 540 B.C. when Cyrus engaged the Babylonians in war. At the conclusion of the battle, the Babylonian Army had been decimated and fled into the countryside in disarray. The armies of Cyrus therefore marched through the open gates of the city and took possession, almost without resistance. Within a few hundred years, Babylon was deserted and abandoned.

Key Thoughts

"Babylon endured century after century because it was fully protected.

The walls of Babylon were an outstanding example of man's desire and need for protection. This desire is inherent in the human race. It is just as strong today as it ever was, but we have developed broader and better plans to accomplish the same purpose.

In this day, behind the impregnable walls of insurance, savings accounts and dependable investments, we can guard ourselves against the unexpected tragedies that may enter any door and seat themselves before any fireside.

We cannot afford to be without adequate protection."

-- George S. Clason

8. THE CAMEL TRADER OF BABYLON

Main Idea

Where determination is, the way can be found.

Supporting Ideas

The person who spends freely and lives beyond his means sows the winds of needless self-indulgence from which he is sure to reap trouble and humiliation.

Eventually, the burden of debt can become so heavy that there is a temptation to try and run away from debt and start again. At this point, the true nature of a person's character is laid open for all to see. A weak person will continue to run while another with the character to succeed will find a way.

Determination is the key. The person with determination will always find a way to succeed in the long run. The person without will always be ready to give up as soon as the task looks hard.

Key Thoughts

"Ill fortune pursues every man who thinks more of borrowing than of repaying."

-- Dabasir

"If a man has within himself the soul of a slave will he not become one no matter what his birth, even as water seeks its level? If a man has within him the soul of a free man, will he not become respected and honoured in his own city in spite of his misfortune?"

-- Dabasir

9. THE CLAY TABLETS FROM BABYLON

Main Idea

Anyone who is struggling under the burden of debt lacks any ability to think rationally, and to accumulate wealth. It is much more productive to take positive action and get out of debt before embarking on any program to accumulate wealth.

Supporting Ideas

A plan for any person in serious debt to get out of debt and gain increased self respect is:

1. This plan is designed to provide for future prosperity. Therefore, one-tenth of all that is earned is set aside for a long-term savings program.
2. Normal living expenses are required for the person in debt and their family. Therefore, seven-tenths of all that is earned is to be used for that purpose.
3. With the remaining two-tenths of income, visit creditors with a proposal. Set out the total amount of all debt and the plan to make regular payments to all creditors on a pro-rata basis until all debts are fully repaid. No creditors will receive preferential treatment but all are treated equally, and each receives regular payments in proportion to the total.

The good thing about this plan is that it provides hope for the future as well as a practical way to get out of and stay out of debt.

Once a person becomes accustomed to living on only 70-percent of their income, they can continue with that lifestyle long after their debts have been repaid. They can then look at increasing their investment savings from 10-percent of income up to 30-percent.

Most people are afraid to approach their creditors because of embarrassment. However, experience has shown that most of creditors would rather have a concrete, practical plan whereby the situation can be sorted out rather than letting it drag on forever.

When approaching creditors, remind them that they will still be the merchants of choice on a cash payment basis from the 70-percent of income that is spent on living expenses. In other words, their current business conducted on a cash basis will continue and the existing debt will be gradually but regularly reduced.

Key Thoughts

"That man who keepeth in his purse both gold and silver that he need not spend is good to his family and loyal to his king. The man who hath but a few coppers in his purse is indifferent to his family and indifferent to his king.

But the man who hath naught in his purse is unkind to his family and is disloyal to his king, for his own heart is bitter.

Therefore, the man who wisheth to achieve must have coin that he may keep to jingle in his purse, that he have in his heart love for his family and loyalty to his king."

-- Mathon

10. THE LUCKIEST MAN IN BABYLON

Main Idea

People create their own luck by the level of work and commitment they put into a project.

Supporting Ideas

The person who considers that work is for the lower classes, and that the only objective of working is to get to a stage at which work is no longer required is missing the benefits that can come through good, honest labour.

A spirit of willingness to do whatever is needed can carry a person far down the road to success. Often, the most successful people in any field are also the hardest working, being willing to invest long hours in their enterprise.

The ability to treat hard work as a best friend allows a person to rise above misfortunes, capture increased confidence and raise skill levels to new heights. It will also make an indelible impression on other people you come into contact with.

People who work hard tend to attract the company of other people who are also industrious. This, in turn, leads to other associations and creates other opportunities and business arrangements.

Key Thoughts

"Life is rich with many pleasures for men to enjoy. Each has its place. I am glad that work is not reserved for slaves. Were that the case I would be deprived of my greatest pleasure. Many things do I enjoy but nothing takes the place of work."

-- Sharru Nada

MONEY IS PLENTIFUL FOR THOSE
WHO UNDERSTAND THE SIMPLE
RULES OF ITS ACQUISITION:

1. START THY PURSE TO
FATTENING
2. CONTROL THY EXPENDITURE
3. MAKE THY GOLD MULTIPLY
4. GUARD THY TREASURE FROM
LOSS.
5. MAKE OF THY DWELLING A
PROFITABLE INVESTMENT
6. INSURE A FUTURE INCOME
7. INCREASE THY ABILITY TO EARN

- GEORGE S. CLASON