MONEY & INVESTING

# The Richest Man in Babylon

by George S. Clason

*Ancient Babylon's money rules, told as stories: pay yourself first, make gold multiply, learn from doers.*

## BEST POINTS FROM THE BOOK

**01** **Pay yourself first - of every ten coins you earn, one is yours to keep.**

Arkad's first cure: spend from the nine that remain, never the tenth. A purse starts fattening the day the tenth stops leaking out.

**02** **Your 'necessary' expenses will always grow to match your income - unless you protest.**

Second cure: confuse not your desires with your necessities. Plan the nine-tenths on purpose, or your wants will quietly eat the tenth.

**03** **Make your gold multiply - its children, and its children's children, should work for you too.**

Third cure: idle savings earn nothing. Put gold to profitable employment and let the earnings compound, 'multiplying even as the flocks of the field.'

**04** **Guard your treasure: a fair return you can reclaim beats a magical one you cannot.**

Fourth cure: study every deal before parting with a coin. Gold flees 'impossible earnings' and the romantic desire to get rich fast.

**05** **Make your dwelling pay you - own the roof that shelters you.**

Fifth cure: rent paid to a landlord builds his estate, not yours. A home of your own lowers your cost of living for the rest of your life.

**06** **Insure a future income before you are too old to earn one.**

Sixth cure: while you are young and earning, prepare for the days when you no longer can - and for your family, should you no longer be with them.

**07** **Increase your ability to earn - it is an asset you fully control.**

Seventh cure: 'The more of wisdom we know, the more we may earn.' The man who seeks to learn more of his craft shall be richly rewarded.

**08** **Take money advice only from men who have proven they can handle money.**

Arkad learned from Algamish, a money lender - not from broke friends. The Third Law: gold clings to the owner who invests under the advice of men wise in its handling.

**09** **Never put gold into a business you do not understand.**

The Fourth Law, learned the hard way: young Arkad lost his first year's savings trusting a brickmaker to trade jewels. Gold slips away from unfamiliar ventures.

**10** **Good luck favors men of action - procrastination is its enemy.**

The Temple of Learning's verdict: luck is not found at the gaming table. It comes to those who seize a sound opportunity promptly instead of letting it escape.

**11** **In debt? Run Dabasir's split: seven-tenths to live on, two-tenths to creditors, one-tenth to keep.**

The camel trader repaid every creditor in about a year on this plan - and the clay tablets tell of a modern professor doing the same. 'Where the determination is, a way can be found.'

**12** **Work, done willingly and well, is the luckiest man's secret key.**

Sharru Nada's story closes the book: his love of work won him freedom, a partnership, and wealth. 'Work, in the time of my greatest distress, proved to be my best friend.'

## THE BOOK, IN SHORT

In the early 1920s, George S. Clason's money parables circulated as pamphlets handed out by banks and insurance companies; bound together in 1926, they became this book. It opens with Bansir, a chariot builder who has worked hard for years yet owns nothing, seeking out his old friend Arkad - the richest man in Babylon - to learn how he did it.

Arkad, once a poor scribe, learned his rules from Algamish, a wealthy money lender: live on less than you earn, seek advice from those competent through their own experience, and make gold work for you. At the king's request he teaches the city the Seven Cures for a Lean Purse: keep a tenth of all you earn, control your expenditures, make your gold multiply, guard it from loss, own your dwelling, insure a future income, and increase your ability to earn.

The Five Laws of Gold sharpen the same rules. Arkad gives his son Nomasir a bag of gold and sends him out for ten years; Nomasir promptly loses it on horse races and a foolish venture, then rebuilds it threefold by working, saving his tenth, and investing only on competent advice.

The later parables put the rules under pressure. The Goddess of Good Luck rewards men of action who seize opportunity instead of procrastinating. The Gold Lender of Babylon preaches caution - better a little caution than a great regret. The camel trader Dabasir, back from slavery, escapes debt

on a written plan: live on seven-tenths, repay creditors two-tenths, keep one-tenth - debt-free within about a year.

The book closes with Sharru Nada, the 'luckiest man in Babylon,' whose secret was no luck at all: a love of work that carried him from slavery to partnership and wealth. A century on, the robes and camels disguise the exact rules nearly every modern money book still teaches.

## DO THIS WEEK

This week, set up the tenth: an automatic transfer of 10% of your next income into a separate account, landing the day the money does - before you spend a cent. If you owe money, do what Dabasir did: list every debt on paper and assign a fixed slice of income (his was two-tenths) to be divided among your creditors every single month.

*The Richest Man in Babylon by George S. Clason, first published 1926. For anyone whose purse stays lean no matter how hard they work - start here.*