

Chapt 3

THE RICHEST MAN IN BABYLON - ONE PAGE REVISION CHART

Step	Lesson	Key Idea
1	Start Small	Arkad began as a poor scribe; wealth is not inherited but built.
2	Pay Yourself First	Save at least 10% of your income before spending.
3	Control Expenses	Distinguish between needs and wants to avoid overspending.
4	Make Money Work	Invest savings so they generate ongoing returns.
5	Avoid Bad Investments	Seek advice from experienced people before investing.
6	Protect Capital	Safety before high returns; avoid unrealistic promises.
7	Ensure Future Income	Plan for old age and family security.
8	Keep Learning	Improve skills to increase earning power.
9	Be Patient & Consistent	Wealth grows gradually with discipline and time.

The Seven Cures for a Lean Purse

1. Start Saving Now:

- Immediately save at least 10% of all income.
- Live on the remaining 90%.
- Begin this habit regardless of income size.
- A growing purse (savings) builds wealth, self-respect, and a strong financial foundation.

2. Control Your Spending:

- Eliminate unnecessary expenses.
- Distinguish between needs and wants.
- Manage your spending wisely.
- True wealth isn't about how much you earn, but how much you keep.

3. Invest Wisely:

- Don't just hoard savings; invest them safely to multiply your money.
- Money should always be working for you, generating more money.

4. Protect Your Principal:

- The fundamental rule of investing is to secure your initial capital.
- Do not lose the money you've worked hard to save.
- Be cautious with your savings.
- Safeguard your investments by choosing secure and sensible options and seeking advice from experienced individuals.

5. Secure Your Future:

- Prepare today for what's to come.
- Ensure a steady income for your old age.
- Guarantee your family's financial security even after you're gone.

6. Cultivate Your Skills:

- Your mind and abilities are your most valuable assets.
 - Continuously improve yourself.
 - Your capacity to earn (and thus build wealth) will consistently increase.
 - The surest path to wealth is through continuous learning, skill enhancement, and increasing your value, which in turn boosts your earning power.
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Meet the Goddess of Good Luck

- luck is not random but favors those who take action.

Luck favors action

- Opportunities come to everyone, but only those who act on them quickly and wisely benefit.
- Procrastinators lose their chance and later call it “bad luck.”

Idle men wait for luck

- Many people hope that fortune will come to them without effort.
- The book criticizes this mindset and emphasizes preparation and initiative instead.

Preparedness attracts luck

- Luck comes to those who are ready to seize opportunities.
- Example: A man ready with gold when an investment appears will profit, while others without preparation miss out.

Quick decision-making is key

- Hesitation kills opportunity.
- People who take too long to decide often lose the chance to someone else who acted faster.

The goddess rewards consistent effort

- Continuous effort, wise investments, and taking calculated risks create repeated chances for luck.
- It is not about one lucky event but a pattern built over time.

Stories in the chapter

- Arkad (the richest man) and others discuss examples of missed opportunities.
- One man had the chance to buy fertile land but delayed; another was ready and grew wealthy.

Main lesson

- “Good luck waits to come to that man who accepts the opportunity.”
- Success is less about random fortune and more about acting when chances appear.

Good luck is not accidental. It visits those who are prepared, decisive, and ready to act, not those who sit idle and wait.

The Five Law of Gold

1. Gold comes gladly and in increasing quantity to any man who saves at least one-tenth of his earnings and lives below his means.
 - Save at least 10% of what you earn.
 - Do not spend everything you earn.
 - Wealth grows steadily when you spend less than you earn.
2. Gold labors diligently and multiplies for the prudent owner who finds it profitable employment.
 - Invest your savings wisely.
 - Make your money work for you, instead of just sitting idle.
 - Look for safe and productive investments.
3. Gold clings to the cautious owner who invests it where its safety is guaranteed and where it can earn a fair return.
 - Don't take reckless risks with your money.
 - Avoid get-rich-quick schemes.
 - Focus on secure investments that provide steady growth.

4. Gold slips away from the man who invests it in businesses or purposes with which he is not familiar or which are not approved by those skilled in its keep.
 - Don't invest in things you don't understand.
 - Seek advice from experts before investing.
 - Avoid making impulsive investment decisions.

 5. Gold flees the man who tries to force it to impossible earnings or who follows the alluring advice of tricksters and schemers.
 - Don't expect unrealistic returns.
 - Stay away from schemes promising huge profits in a short time.
 - Trust in steady, reasonable gains rather than greed.
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The gold lender in Babylon

1. Money brings responsibility – Wealth requires wisdom to manage; sudden riches attract requests and pressure.
 2. Don't lend blindly – Avoid giving money out of love, pity, or family pressure; judge ability to repay.
 3. Collateral is essential – Always secure loans with something valuable to protect yourself.
 4. Judge the borrower's ability – Lend only to those with experience, knowledge, and skill in their venture.
 5. Wise lending builds trust – Secured lending creates respect; careless lending damages relationships.
 6. Refusal can be kindness – It's better to refuse a risky loan than to risk both money and relationships.
 7. Core rule of lending – Protect your gold first; emotions must never override financial wisdom.
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Walls of Babylon

1. Wealth needs protection – Just as Babylon's walls safeguarded the city, financial security must safeguard wealth.
2. Foresight is essential – The walls were built long before danger came; likewise, prepare finances before crises arise.

3. Security brings peace of mind – Strong defenses gave citizens confidence; savings, insurance, and planning reduce fear in hard times.
4. Protection is continuous, not temporary – Walls had to be maintained; similarly, financial safeguards must be kept strong and updated.
5. Wisdom lies in preparation, not reaction – You can't build walls during an attack; you can't create emergency funds or insurance when disaster has already struck.
6. Strength ensures resilience – Just as enemies abandoned their attack against strong walls, financial troubles are easier to survive with solid defenses.
7. Metaphor of the walls – In modern terms, the “walls” represent savings, insurance, diversification, and cautious money management.
8. True prosperity includes safety – Wealth without protection is fragile; prosperity requires both growth and security.

The Camel Trader of Babylon

A man's soul is only truly free when he pays his debts and takes responsibility.

Debt is a burden on the soul

- It takes away freedom, dignity, and peace of mind.
- Escaping or ignoring it only worsens the problem.

Responsibility is the path to freedom

- Instead of running away, face debts head-on.
- Start paying little by little, but keep paying consistently.

Self-discipline restores honor

- Live within your means.
- Do not spend more than what you earn.

Character > Wealth

- A man's true worth is in his integrity and ability to keep his word.
- Repaying debts rebuilds trust and respect in society.

Don't run from loans/credit card bills, make a repayment plan.

Avoid living on borrowed money for luxuries.

Even small regular payments reduce the load and build confidence.

Financial freedom starts with honesty and discipline.

Always follow 10 - 70 - 20 rule for debt repayment if you are buying something from emi or took debt from someone.

10 : save 10% of your income for future

70 : spent 70% of your income in necessities

20 : use 20% of your income for debt /emi repayments

The Luckiest Man in Babylon

Hard Work Creates Luck

- People who work honestly and consistently attract good fortune.
- What looks like “luck” is often just preparation meeting opportunity.

Self-Discipline is Wealth

- Avoid laziness and bad habits; they lead to slavery of debt or poverty.
- Discipline and effort lead to freedom and prosperity.

Value of Character

- Integrity, persistence, and reliability are more valuable than quick money.
- People trust and support those with good character.

Wealth Can Vanish Without Effort

- Riches inherited without discipline (like Hadan Gula’s case) disappear quickly.
- True wealth must be earned to be appreciated and preserved.