**What Does “The Richest Man in Babylon” Say?**

**A Classic Book Review**

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George S. Clason left some words of wisdom before he left this world in 1957. These words, up till today, have helped people from all backgrounds understand the fundamental building blocks of wealth, integrity, and discipline. I first stumbled across this script as a middle schooler in Hong Kong. 10 years later, I re-read the same printing as a financial educator. What was once a tale by an old man has now become a practical guidebook toward financial freedom. If there is one book to read for a starter in personal finance, this is the only one you will need. Enjoy!

**What are some lessons from the richest man in Babylon?**

The story begins with Arkad, the richest man in Babylon, sharing his journey to becoming a master of wealth through three major lessons in his youth. The first lesson was to remember that part of all you earn is yours to keep. Spending on merchant goods is equivalent to paying others, so be sure to fill your savings before paying out to the jewelers and garment makers. The second lesson was to acknowledge that “Every gold piece you save is a slave to work for you. Every copper it earns is a child that also earns for you.” In other words, to accumulate wealth, what one saves must earn, and what it earns must earn as well. The third lesson was to seek advice from those whose daily work is handling money, just like going to an astrologer, as opposed to a breadmaker, if you want to learn about stars. Let them save you from entrusting money to the wrong person. These lessons may sound metaphorical in a modern context, but purely literal back in ancient Babylon.

**What are the steps to accumulating wealth?**

The story goes on with Sargon, the Good King consulting Arkad for his advice on wealth, to which he proposed seven. These are later known as the seven cures for a lean purse and are illustrated as follows:

**1st Cure:** put 1 coint into the emergency fund basket for every 10 coins you earn. The emergency fund shall consist of 3-6 months of expenses.

**2nd Cure:** control your expenditures to be 1/10 of your income.

**3rd Cure:** guard money against loss by investing only where the principal is safe, where it may be reclaimed if desirable, and will not fail to collect a fair interest.

**4th Cure:** find ways in making your earnings multiply, for example by investing 15% of your household income into your retirement account.

**5th Cure:** increase your ability to earn, and be a person of care, compassion, and thoughtfulness.

**6th Cure:** make your dwelling a profitable investment and ensure that its a place that you are proud to care for; this can boost your confidence and inspire greater effort behind all your endeavors.

**7th Cure: I**nsure and protect your future income; this is for you and your family’s future needs.

Following these cures can help you accumulate wealth, but remember that more money makes you become more of what you already are. If you're a jerk and you get a lot of money, then you become a big jerk. If you're generous and have a lot of money, you become outrageously generous and have a huge impact on people around you. This is foreworded by Dave Ramsey, a personal finance personality.

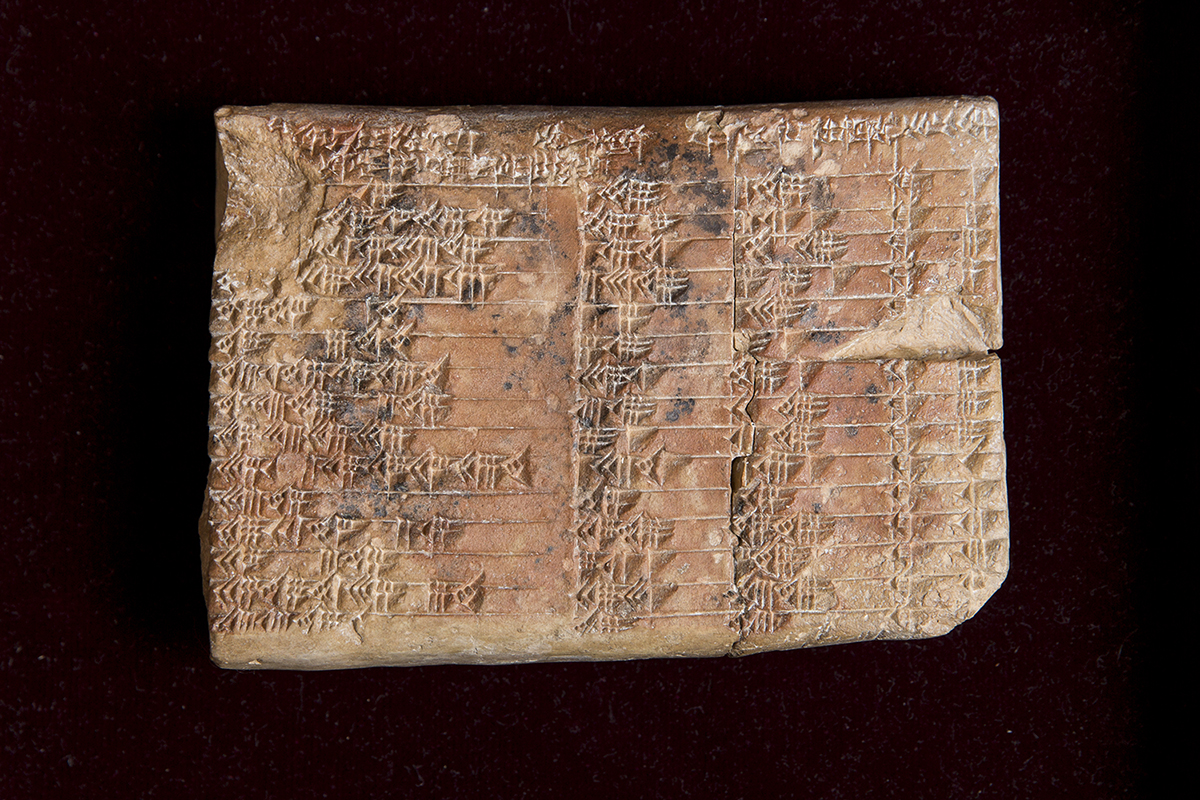
**How to attract luck?**

The story continues with the topic of luck being discussed at the Temple of Learning, an open forum for citizens to volunteer and people to share their opinions. Narratives from missing out on a business deal with a camel trader to betting on the wrong side of a horse race filled the forum. After all, Arkad didn’t deny luck as a factor of wealth but rather embraced it with intelligent efforts and transactions. The lesson here is that good luck waits to come to those who accept opportunity. However, Opportunity will not wait for those who don't accept it when it comes. Only people who overcomes procrastination and able to judge upon a wise bargain attracts luck, and from there deserves it.

**Who shall you not lend to?**

Then comes the story of a gold lender, from whom I learned that the safest loans are those whose possessions are of more value than the one I desire. Lenders must own lands, jewels, or assets of any kind which could be sold to repay the loan, and in the case that they fail, they will deliver the payments and interest to you in a property settlement. One must avoid borrowers in throes of great emotions since they often pose great risks to repaying their loans, and stray from borrowers who gaze upon impractical plans to make unusually large earnings out of loans, for such plans are the creations of dreamers unskilled in the safe and dependable laws of trade. One must also avoid lending money to friends, family, or anyone of close ties because this puts stress on the relationship, and relationships to keep are priceless. In the case that you want to help, give them the money, but don’t lend it.

**How to get off debt?**



There is a chapter about the five clay tablets from Babylon. These tablets were translated by Alfred H. Shrewsbury, an Archaeology professor at Nottingham University, after being excavated by his colleague, Franklin Caldwell. The inscriptions on the tablets are money principles carved by Dabasir, a man who sought wealth advice from financiers in ancient Babylon to pay off his debt. In fact, he had consulted the gold lender mentioned above. The first tablet noted his plan to set aside one-tenth of his earnings as an emergency fund, two-tenth to re-pay his debt, and seven-tenth to provide for his family. The second tablet documented all his creditors and the amount he owed them. The third tablet journalled who he paid first out of urgency and how he was sold into slavery to earn more for his debt. The fourth tablet engraved the amount of debt he reduced by strictly complying with the principles carved on the first tablet. The fifth tablet recorded his success in paying off all his debt.

**Summary:**

After re-reading the book, my first gut feeling is that principles for modern personal finance aren’t as different from themselves 5000 years ago. Wealth strategies used back then and now concern 5 major areas: saving, spending, insuring, investing, and self-improvement. Master the first three then you are on the right track toward financial security. Combine them with the latter two then you are paving your road to financial freedom. Life is rich with many pleasures to enjoy, but honest work is what gives place to these pleasures. Stay faithful to yourself and your plan, and work for your goal; this will attract opportunities, then you will achieve what you set out to achieve.

**References:**

[Link to The Richest Man In Babylon](https://www.amazon.com/Richest-Man-Babylon-George-Clason/dp/1640950494/ref=sr_1_2_sspa?crid=19NWWPC227CKH&keywords=The+Richest+Man+in+Babylon&qid=1655746904&s=digital-text&sprefix=the+richest+man+in+babylon%2Cdigital-text%2C69&sr=1-2-spons&psc=1&spLa=ZW5jcnlwdGVkUXVhbGlmaWVyPUFHUFdQMFZHVVJFN1cmZW5jcnlwdGVkSWQ9QTAwNjU5MDFETkNDU1FJVjVaQTMmZW5jcnlwdGVkQWRJZD1BMDA3MjY3NTI5NTZMU0o1Q0ozRTgmd2lkZ2V0TmFtZT1zcF9hdGYmYWN0aW9uPWNsaWNrUmVkaXJlY3QmZG9Ob3RMb2dDbGljaz10cnVl)