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The Richest Man in Babylon

Due to the dire circumstances of Babylon, the king has asked of the richest man in Babylon to teach his ways to a group of hundred students. These lessons Arkad has presented to his students are the “seven cures for a lean purse”. His first lesson was to start by storing one-tenth of what you earn aside from the money you need to spend for the necessities of life. This one-tenth will accumulate over the years to a very profitable amount to those patient and willing to follow through. He then explained that you must control your expenditures. Make a list of all your desires and cross off anything that doesn’t deem the necessity that the others may qualify for. Control what you spend so as to remain in the bounds of the nine tenths of your income. Buy what you need and eliminate those things that aren’t truly necessary. In his third lesson he told his students to invest their gold and earn more gold. “Make that gold earn more gold,” said Arkad through his teachings. These investments need to be wise. Arkad says that you can only trust those who are wise and understand the trade they are pursuing to initiate an investment. You shouldn’t place your trust in people who aren’t proficient in the transaction they propose. For example, as in Arkad’s story you can’t trust a brick maker in the investment of gems and jewelry. He then continued to say that you should seek advice only from those that are wise in handling gold. Arkad’s next piece of advice is to own your own home. You need to provide a sense of security to your family and yourself. His sixth lesson was to save money now so it may be useful when you reach an older age when the acquisition of money becomes much more difficult. The final remedy for a lean purse is to further ensure your assurance to earn more money by becoming wiser and learning to become more capable of the duties assigned to you.

Before sending his son off to find his own wealth, Arkad gave Nomasir a clay tablet labeled the five laws of gold. The first law was the same as the first lesson Arkad gave as a remedy to a lean pursue. Put aside one-tenth of your earning and spend the remaining amount for your living expenses and desires. The next inscription detailed that proper investments can greatly increase ones gold. Arkad suggested that you heed the advice of wise men who understand how to handle gold. Then he warned that you will lose your money if you invest in businesses that you are not experienced with. The final law of gold exclaimed that Irresponsible investments of gold in highly risky situations will be lost. This applies also when you are manipulated by schemers.

As time passed, Arkad’s wisdom has passed through Babylon. Such discussions of wisdom and wealth has transferred from a classroom to Temple of Bel. In the learning temple Arkad and a group of men embarked on a discussion to determine how one can attain luck. Through the end of the discussion they concluded that taking action instead of procrastinating when an opportunity arrives will surely grant one luck as the consequence of their actions. They concluded that luck persists with one’s acceptance of opportunities.

Saving one-tenth of your earnings can lead to profits that one may rely on in the future. This mathematical feature of Arkad’s wisdom can be visualized with currency of any era. These savings would lead to larger amounts as your income may also increase in the future. Another way to increase your money is to lend money to trustworthy merchants and traders with a set interest rate. Through the business of money lending we can visualize the increasing amount of the initial principal amount that was lent through the set interest. Through time the interest rate established will provide the lender with a surely beneficial profit.

Reading this book opened my eyes to the world of finance. Any worker in any profession has the ability to earn money enough to satisfy their wants along with their needs. I’ve found that a simple action as to opening a savings account to put aside a quantity of money to be quite simple but the profits along the long term is remarkable. The rules that this book explained in regards to dealing with money in investments has cleared some of the doubts I had prior to reading this book. It has taught me to be careful with money along with the people that offer to help me with these investments. To trust them with my money I’ll have to trust them first and assure their credentials as to confirm or set aside my suspicions. This book has truly assisted in my understanding of how to handle money and pan for the future. It has impacted my life in that it has taught me to be prepared for the future than to just live in the moment. It has taught me that hard work will reward you with the opportunities that will further benefit your life and the advice of wise men will benefit it even more.