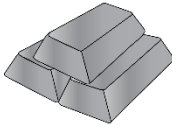
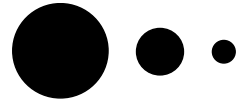


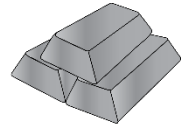
THE GROWTH MARATHON

— One Stride At a Time —



RICHEST MAN IN BABYLON

SUMMARY PART I



• ● ● **THE GROWTH MARATHON** ● ●

— **One Stride At a Time** —

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Introduction



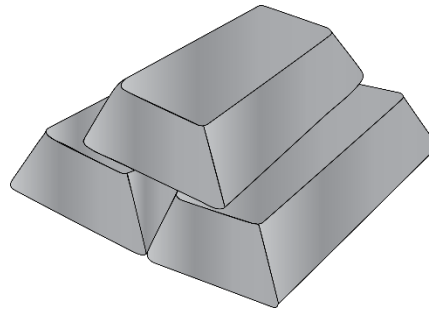
After completing the article on [40 Books to Change Your Life](#), I decided to progressively go through the list, summarize the books and extract the lessons I deemed valuable from them to improve in each of those categories. This is the first of multiple article series from the list.

This article series provides a summary of “The Richest Man in Babylon” by George S. Clason. It highlights key lessons from each chapter (except chapter 11 which is a historical sketch of Babylon). The book covers topics such as the five laws of gold, lending wisely, the importance of hard work, the laws that govern the building of wealth and more.

Note that the book is a set of parables from George Clason to explain the basics of money. The complete book is slightly less than 200 pages; hence it is a quick read. I consider this book as the very basics of financial literacy. We’ll dive into more elaborate financial concepts progressively.

This article summarizes chapters 1,2 and 3. Enjoy.

Chapter 1: The Man Who Desired Gold



The main protagonists in this chapter are:

- Bansir, the chariot builder of Babylon
- Kobbi, the musician
- Arkad, the richest man in Babylon

This chapter is about two friends, Bansir (The Chariot builder) and Kobbi (The musician) who lament on how they've worked for so long (years) and still have empty purses. They realize that if nothing is changed, their generations might follow suit. You don't just work hard and expect the gods of luck to bless you, ***you must be intentional about being wealthy.***

A highlight of the chapter is when Kobbi catches Bansir daydreaming (hence not working), and asks him to lend him 2 shackles, as it makes no sense for someone who is broke to not work. Bansir obviously declines. They contemplate, and their only apparent solution to become wealthy is by asking those who were already wealthy to guide them. They then decide to go to their rich friend Arkad and decide to also bring some struggling friend with them.

I like Bansir's dream, so I've included it below:

Bansir's dream

"It began with a dream, a senseless dream, one in which I thought I was a man of means. From my belt hung a handsome purse, heavy with coins. There were shackles which I cast with careless freedom to the beggars, there were pieces of silver for which I did buy finery for my wife and whatever I did desire for myself. There were pieces of gold that made me feel assured of the future and unafraid to spend the silver. A glorious feeling of contentment was within me. You would not have known me for thy hard-working friend, nor wouldst have known my wife, so free of wrinkles was her face and shining with happiness, she was again the smiling maiden of our early married days."

My main **takeaways** from the chapter are as follows:

- Working hard only does not necessarily guarantee wealth. You must be intentional about being wealthy.
- Find a person that is wealthy and go ask them how it's done. If you can't in this day and age, there are numerous online resources (books and courses) that can bring you in the mind of such wealthy people. A simple

example is this [YouTube channel](#), where the YouTuber (Noah Kagan) questions rich people on how they make money, start somewhere and move on from there.

Chapter 2: The Richest Man in Babylon



The main protagonists in this chapter are:

- Arkad, the richest man in Babylon
- Babylonians (Arkad's friends)

At one point in time the richest man in Babylon was called Arkad. He was liberal with his expenses, but each year his wealth increased. But how did he do that exactly? Some of his friends lamented their misfortunes compared to Arkad's as below:

"You Arkad are more fortunate than we, you have become the most fortunate in Babylon while we struggle for existence, you can wear the finest garments and you can enjoy the rarest foods while we must be content if we can cloth our families in raiment that is presentable and feed them as best as we can. Yet once we were equal, we studied under the same master, we played in the same games, and in neither the studies nor the games did you outshine us. And in the years since, you have been no more an honorable citizen than we, nor have you worked harder or more faithfully as far as we can judge. Why then should a fickle faith single you out to enjoy all the good things of life, and ignore us who are equally deserving?"

Arkad has a brilliant response. He says they are in their current financial position because of one of 2 reasons:

- You have either failed to learn the laws that govern the building of wealth.
- Or you do not observe them.

Fickle faith is actually an enemy if you don't observe the 2 points above. If you are blessed with a large purse, without applying the laws that govern the

building of wealth you either spend excessively to fulfill your unlimited needs, or you are too scared to spend because you know you can't replace it.

The important question is how did Arkad get to this stage?

Arkad's friends then asked him to explain how he got to that stage. In his youth he looked around all the good things that can bring happiness and contentment, and he realized that wealth increases the potency of all these. **Wealth is power.** He did not want to be envious and satisfied with the minimum. He wanted to be a guest at this table and also enjoy all the good things in life.

Arkad was the son of a humble merchant, in a large family, and not spectacularly bright.

He figured out that to achieve his goal, he needed 2 things, **time** and **studying** (that's what we do at TGM, we study).

- We all have time (learn how to prioritize aggressively).
- Learning is of **2 kinds**, the first is what we learn and know, the second is the training that teaches us how to find out what we don't know.

I'll add a third point to that, the **application of what you have studied**. You need that to become experienced in building wealth. Like anything else, if you do not apply what you have studied adequately, you'll have poor results.

Arkad was a scribe. He studied under a wealthy money lender called Algamesh.

A line I love from Algamesh to Arkad is as follows: "When youth comes to age for advice, he receives the wisdom of years, but too often does youth think that age only knows the wisdom of days that are gone and therefore profits not. But remember this, the Sun that shines today is the same that shone when thy dad was born and that will still be shining after thy last grandson passes to the darkness."

- What does this mean to you?

Algamesh had numerous great one liners, but the one with the core message was the one below:

- "I found the road to wealth when I decided that a part of all I earn will be mine to keep, and so will you". Algamesh, The Money Lender

Think about your monthly expenditures, rent, food, leisure etc. You pay to everyone but yourself. This is the foundation of this book, keeping a percentage of what you earn for yourself.

Let's now have a look at the three key lessons Algamesh taught Arkad to become wealthy (The laws that govern building wealth).

1. *Live less than what you earn.*
 - "If you keep for yourself 1/10th of what you earn for 10 years, how much will you have Algamesh asked, and Arkad responded one year's worth. But Algamesh clarified that each coin saved can be made a slave to work

and make more coins and those coins in turn can be made to work and earn more, and the chain continues.”

- “A part of what you earn is yours to keep, it cannot be less than a tenth, but can be as much as you can afford.”
2. Make gold work for you.
- “For you to be wealthy, what you save must earn and it's children must earn.” Algamesh, The Money Lender
 - Algamesh left and returned a year later, to check if Arkad put the learnings in practice. Arkad had saved, but made a catastrophic mistake, giving the money to a brickmaker to buy jewels from the city he was exploring.

Note that when saving becomes a habit, even if an investment fails, you can still come back on top.

3. Seek advice from those who are competent through their own experiences to give it.
- "Every fool must learn, why trust the knowledge of a brickmaker about jewels?" - Algamesh to Arkad
 - "Advice is one thing that is freely given away but watch that you take only what is worth having. He who takes advice about his savings from one who is inexperienced in such matters shall pay with his savings for proving the falsity of their opinions.”

"First get you an army of Golden slaves, and then many a rich banquet may you enjoy without regret" Algamesh to Arkad.

My main **takeaways** from the chapter are as follows:

Two reasons for being in a financially stressed position according to Arkad:

1. You have failed to learn the laws that govern the building of wealth.

or

2. You do not observe them.

You require the following to grow your wealth:

- Time
- Studying
- Application of what you studied.

Three lessons from Algamesh on how to make money:

1. Live upon less than you can earn.
2. Seek advice from those who are competent through their own experiences to give it.

3. Make gold work for you.

Additional gems spread throughout the chapter:

- Wealth grows wherever man exerts energy.
- Impress yourself with the idea that 1/10th of what you earn is yours to keep.
- "Invest your treasure with greatest caution that it be not lost. Usurious rates of return are deceitful sirens that sing but to lure the unwary upon the rocks of loss and remorse."
- Council with wise man.
- Ensure your family earns little bits regularly after your death, to avoid unnecessary battles.
- You need to be ready for opportunity at all times.
- Men of broad wisdom are always ready to freely share that wisdom.

Chapter 3: Seven Cures for a Lean Purse



The main protagonists in this chapter are:

- The King of Babylon
- Arkad, the richest man in Babylon
- Babylon teachers

In this chapter, the king of Babylon is made aware by one of his council members that most of those in Babylon are poor since the big infrastructural developments concluded in the city. Only a few have most of the riches in Babylon. To ensure Babylon becomes the richest place in the world, the king believed its people should be the richest. He then asks for the richest man in Babylon (Arkad) to teach 100 teachers on the ways to make money.

The lessons begin, and Arkad indicates that for them to be able to teach the lessons he will teach them, **they must put them in practice first and build their own wealth, otherwise it won't work.**

How can you make your community, family, entourage rich? you must all learn and teach yourselves the ways to make money and apply those concepts.

Arkad's lessons are around the **seven cures to a lean purse**.

Cure 1: Start thy purse to fattening.

To build a fortune, start with the coins you are already earning.

For every 10 coins thy placeth within thy purse, take out for use but 9.

When using 9/10th of his earning, Arkad indicates he managed to go along just as well.

I've been following this simple rule for years now, and I suspect there is a certain threshold of earning over which you'd be just fine with 9/10th of your income. Test this out for a couple of months. You'll realize you do just fine.

Cure 2: Control thy expenditures.

This is more about wants vs needs. Arkad argues that whatever we consider necessary expenses continually grows proportionally to our income unless we protest the contrary.

Necessary expenses are not desires; desires are typically more than what we earn. All men are burdened with more desires than they can gratify. His solution is some form of budgeting.

Write down all your desires and select those that are necessary and possible by spending 9/10th of what you earn. Cross out the rest and consider them part of the desires you cannot currently gratify.

Keep working with your budget and make it assist you.

Cure 3: Make thy gold multiply.

How do we put our treasure to labor? Gold in our purses might be satisfying to the eye but earns nothing. **A man's wealth is not in his purse, but rather in the continuous inflow of coins constantly entering his purse.**

One of Arkad's successful investments was lending money to a shield maker, receive profit from the shield maker's payback and lend that profit back, making the coins' children work. That's simply investing and reinvesting your dividends.

You want income that comes in whether you work or travel. Have numerous sources of coin slaves.

Arkad also briefly touches on compound interest and how it can multiply one's capital if left untouched for long enough.

Cure 4: Guard thy treasure from loss.

It is important to secure small amounts comfortably before securing larger sums. Once you get a lot of coins, you will be tempted by numerous appealing deals that promise to rapidly multiply your capital many times over. Be wary of such, study in depth what you want to put your money in before separating yourself from in it, unless you want to gift someone else your hard-earned coins.

- Study those you loan your money to, do they have a habit of repaying? Are they knowledgeable and experienced in the field they are talking about? You can't be entrusting a brickmaker to buy jewels for example.
- Consult with wise men (those experienced in handling money for profit). Such advice is typically free for the taking.
- Invest only where thy principle is safe, where it can be reclaimed if desirable and where thy will not fail to collect a fair rental.

Cure 5: Make of thy dwelling a profitable investment.

If out of the 9/10th of your income you can invest into a profitable scheme without detriment to your life, then so much faster will your income grow (well obviously).

No man's family can full enjoy life unless they have a part of ground where children can play in the clean earth and where the wife may raise not only blossoms but also rich herbs to feed her family.

The advice here is not as financial as I would have expected. The idea behind this cure is as follows:

- If you own your home, you have more determination to work for more as your family lives in a comfortable place.
- Your monthly repayment to the money loaner gradually decreases your debt till you fully own your home within some years (you own the property which typically becomes more valuable in time), as opposed to renting, which just gives out money with nothing long term in return.
- It reduces your cost of living, making available more of your earnings for the pleasures and the gratification of his desires.

Cure 6: Ensure a future income (Provide in advance for the needs of thy growing age and the protection of thy family)

This is not financial advice in the sense of making more, it is more about ensuring your hard-earned coins serve you and your family later. The reasons to ensure a future income are:

- To ensure you have something in the future when you are too old to work.
- To leave income for you family to survive if you die early.

You can ensure a future income by:

- Buying land or properties.
- Loaning your money out (typically savings accounts).

Cure 7: Increase thy ability to earn.

What actions do you take to increase thy capacity to earn?

You need a strong desire to earn more. A tangible desire, like earning 5 pieces of gold. Once you earn that, you can find similar ways to earn 10 pieces, then 20 pieces, then eventually, you will become wealthy.

- What actions can you take to make an extra \$1000 per month? Go do some research and apply what you've learned.

Some additional miscellaneous points I found relevant from the chapter:

- Wealth is accumulated in small sums then larger sums as a man learns and becomes more capable.
- Desires must be simple and definite. They defeat the purpose if they are too many, too complex, or above the current understanding of the person.
- More interest in your work, more concentration in your task, more persistence in your effort and you will be more skilled and be able to earn more than others. Be the best at your profession.
- Cultivate your own powers, study, and become wiser, become more skillful, act as to respect yourself.

I think the main idea here is to have clear and simple financial goals, and to then improve yourself as much as possible to be better at your tasks, complete those initial goals and set higher goals.

My main **takeaways** from the chapter are as follows:

The seven cures to a lean purse.

Cure 1: Start thy purse to fattening.

Cure 2: Control thy expenditures.

Cure 3: Make thy gold multiply.

Cure 4: Guard thy treasure from loss.

Cure 5: Make of thy dwelling a profitable investment.

Cure 6: Ensure a future income.

Cure 7: Increase thy ability to earn.

Conclusion

This first article summarizes the first three chapters of The Richest Man in Babylon by George S. Clason. The main **takeaways** from these three chapters are as follows:

- The laws that govern the building of wealth.
- Seven cures to a lean purse.

The next article will cover a few more chapters to ensure each article has a digestible amount of knowledge. Till then, I hope you try out the principles from this article and let me know what you think about them.