

Below are the notes taken from the (Chinese version) audiobook of "The Richest Man In Babylon".

📖【有声书】《巴比伦富翁新解》| 带你重新走进巴比伦的财富世界 | The Richest Man In Bab...

How to get wealthy?

Save 10%-20% of your income on the investment

Invest wisely to generate more money

Invest early, leveraging compound interest to grow wealth

How to earn more money?

- Strong motivation
- Your goals (1/3/5/10) should be specific and achievable
- Improve your skills and keep learning
- Take care of family and buy no luxury items
- Set will (in case bad things happen)
- Help friends and others

How to improve yourself?

- Invest time/money to improve your skills
- Do extra 10% effort on the task: ask what you learned and what you could conclude.

How to handle opportunity?

Don't hesitate, make a decision quickly

How to invest?

- Be cautious before investing
- Listen to wise men, and know the field

How to handle the situation when someone borrows money?

Make sure money can generate more money.

The borrower represents a detailed and feasible plan.

How to evaluate your investment risk?

Some best practice : borrow / (all assets) \leq 50%

For example, if you own 100 and borrow 80 to buy a house that's worth 100, then your debt ratio is $80 / 200 = 40\%$. It is less than 50%.

How to handle risk?

Leverage insurance: protect the main source of income person first.

How to handle debt?

- What you spend should be \leq 70% of your income.
- When there is a will, things come true. Get motivated to clear your debt.
- Plan the goals in detail, step by step.
- Follow the plan.