Money and Investing

Main themes from eight authors

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1. George S. Clason - *The Richest Man in Babylon*
2. Napoleon Hill - *Think and Grow Rich (1937)*
3. Pulak Prasad - *What I Learned About Investing from Darwin (2023)*
4. Morgan Housel - *The Psychology of Money (2020)*
5. Charlie Munger - *Poor Charlie's Almanack (collected speeches)*
6. William Green - *Richer, Wiser, Happier (2021)*
7. Dave Ramsey - *The Total Money Makeover (2003)*
8. Thomas Stanley and William Danko - *The Millionaire Next Door (1996)*

Summaries are written from general knowledge of each work and are meant as a quick overview, not a replacement for reading the books.

George S. Clason

The Richest Man in Babylon

- **Pay yourself first.** Save at least 10% of everything you earn before spending on anything else.
- **Make your money work for you.** Put savings into things that earn more, like a business or loans, so it grows like a tree.
- **Guard your money.** Only invest where you understand the risk, ask people who know the subject, and avoid get-rich-quick schemes.
- **Control your spending.** Do not confuse wants with needs, and live on less than you earn.
- **Own your home.** Building something of your own gives you security.
- **Plan for the future.** Build income that keeps coming in when you can no longer work.
- **Get better at what you do.** The more skilled you become, the more you can earn.
- **Be disciplined and hardworking.** Wealth comes from steady habits, not luck.

Big message: Getting rich is not magic. It is a few simple habits repeated for a long time.

Napoleon Hill

Think and Grow Rich (1937)

- **Start with a burning desire.** Pick one clear goal and want it badly.
- **Belief and faith.** If you truly believe you can reach the goal, you are more likely to act in ways that get you there.
- **Autosuggestion.** Repeat your goal to yourself daily until it sinks in.
- **Specialized knowledge.** Learn what you need, and use other people's skills when you lack them.
- **Imagination and planning.** Make a detailed plan, act on it, and change it if it fails.
- **Decision and persistence.** Decide quickly and stick with it. Most people quit too soon.
- **The Master Mind.** Work with a small group of people who share your goal.
- **Your thoughts shape your results.** Focused, positive thinking leads to action. Fear and doubt hold you back.

Big message: Success starts in your mind.

Critics say it leans on 'just think positively' and ignores luck and timing.

Pulak Prasad

What I Learned About Investing from Darwin (2023)

- **Survive first.** In nature the survivors pass on their genes. In investing, winners are companies that last a very long time, so avoid risks that could wipe you out.
- **Pick boring, mature businesses.** Companies in slow-changing industries are less likely to be knocked out by new technology.
- **Avoid debt.** Strong balance sheets help companies live through bad times.
- **Be patient and do very little.** Buy good businesses and hold them for years. Trading a lot adds costs and mistakes.
- **Do not predict the future.** Nobody forecasts markets well. Focus on what you can know today.
- **Stay with what you understand.** Invest in a small group of things you truly understand.

Big message: Investing is about not dying. Compounding does the rest.

Morgan Housel

The Psychology of Money (2020)

- **Behavior beats brains.** How you act with money matters more than how smart you are.
- **Luck and risk are real.** Do not copy people's results too closely or judge yourself too harshly.
- **Enough is enough.** Many people lose what they have by chasing more.
- **Compounding needs time.** Buffett is rich mostly because he started early and stayed invested for decades.
- **Stay in the game.** Survive long enough for compounding to work.
- **Save without a reason.** Savings give you freedom and options.
- **Be reasonable, not perfectly rational.** Choose a plan you can stick with when things get scary.
- **Expect surprises.** The biggest events in history are things nobody saw coming.

Big message: Money is more about feelings and habits than math.

His later book, Same as Ever, is about things that never change, like greed, fear and human nature.

Charlie Munger

Poor Charlie's Almanack (collected speeches)

- **Mental models.** Learn big ideas from many subjects and use them together.
- **Invert.** Ask how you could fail, then avoid that.
- **Avoid stupidity.** Being consistently not stupid beats trying to be brilliant.
- **Know your circle of competence.** Stay inside what you truly understand.
- **Buy great businesses at fair prices.** He pushed Buffett away from cheap, mediocre companies toward high-quality ones.
- **Be patient and concentrated.** Make a few good bets and wait.
- **Watch human psychology.** Envy, greed, ego and incentives drive bad decisions.
- **Keep learning and be honest.** Read constantly, change your mind when facts change, and deserve what you want.

Big message: Think clearly, avoid big mistakes, and let a few great decisions compound.

William Green

Richer, Wiser, Happier (2021)

- **Wealth is not just money.** Aim to be richer, wiser and happier.
- **Think for yourself.** The best investors form their own views and stay calm when others panic.
- **Be patient with a long view.** Great results come from holding good businesses for years.
- **Avoid big mistakes.** Protecting yourself from ruin matters more than chasing gains.
- **Know your own temperament.** Understand your emotions and weaknesses and build a plan around them.
- **Stay humble and keep learning.** Be open to being wrong.
- **Integrity matters.** The investors he admires value honesty and guard their time and attention.
- **Happiness comes from within.** He ties investing wisdom to mindfulness, gratitude and living by your values.

Big message: The best investors use the same habits for money and for life: patience, clear thinking and humility.

His second book, The Great Minds of Investing (2023), collects short lessons from investing legends.

Dave Ramsey

The Total Money Makeover (2003)

- **Save a starter emergency fund first.** Put $1,000 aside before anything else.
- **Use the debt snowball.** Pay debts from smallest to largest so small wins keep you motivated.
- **Build a full emergency fund.** Save 3 to 6 months of expenses.
- **Invest 15% of income for retirement.** He recommends growth stock mutual funds.
- **Then college savings, pay off the house, build wealth and give.**
- **Never use debt.** No credit cards or car loans. Use cash or a debit card.
- **Budget every dollar.** Give each dollar a job before the month begins.

Big message: Money is mostly about discipline, not clever tricks.

Critics say the debt snowball costs more than paying the highest-interest debt first, that his 12% stock return claim is too high, and that avoiding all debt can leave money on the table.

Thomas Stanley and William Danko

The Millionaire Next Door (1996)

- **Live below your means.** Many millionaires drove ordinary cars and lived in normal homes.
- **Save and invest steadily.** They put away a big share of income for years.
- **Wealth is not income.** High earners often spend it all. Wealth is what you keep.
- **Do not show off.** Fancy cars and designer labels can mean someone is income-rich but not wealthy.
- **Many ran unglamorous businesses.** Think welding or pest control.
- **Do not give adult children handouts.** It can make them less able to build their own wealth.
- **Plan your money.** They budgeted, tracked spending, and invested on purpose.

Big message: Real wealth is quiet and comes from habits, not looks.

Critics say the data is dated, and that saving a lot matters more than the cheap car.