RULES OF MONEY

EXPANDED EDITION



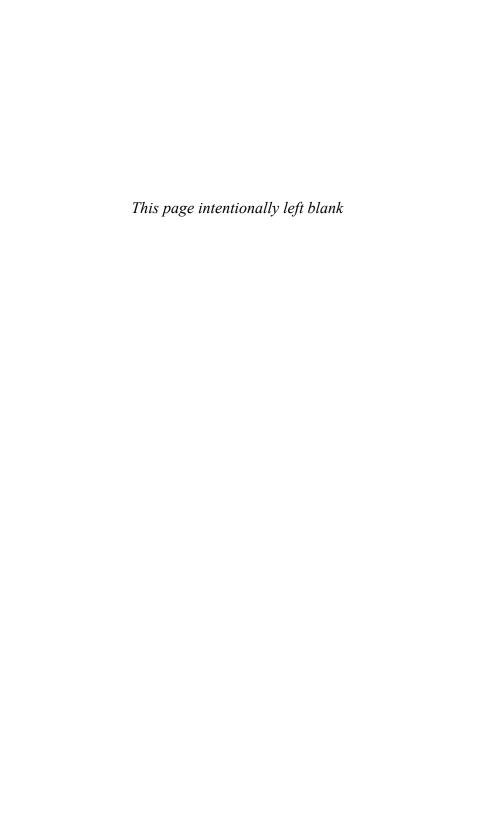
How to Make It and How to Hold on to It

RICHARD TEMPLAR

The author of the international best-seller The Rules of Work

THE

RULES OF MONEY



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Expanded Edition

RICHARD TEMPLAR

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I would also like to dedicate this book to my delightful father-in-law who manages his money in a kind, generous, honest and moral way and still manages to make it work for him efficiently and expertly. He is an example to all of us. He is a Rules Player par excellence.

Introduction

There's an old saying "Money, money, money—it's all they can think about." Unlikely to be true of course, given that hardly anybody thinks about money itself (unless they happen to be a coin collector). The reason we all pursue and desire and fiercely protect money is because of what we can do with it.

And no, of course money can't buy you love or happiness. Although it can buy a good deal of pleasure—and remove a lot of unhappiness. But it can buy you plenty of other things. Over the years I've identified the ten things which people most seem to want to spend their money on:

- 1 **Security:** A home of your own and enough money in the bank to support you in the way you want, plus a bit in hand for emergencies, and a big enough pension to ensure a comfortable retirement.
- 2 **Comfort:** A warm and spacious house, a big car, someone to clean or mow the lawns or do the laundry or mind the kids, and good quality medical care whenever you want it.
- 3 **Luxuries:** Exotic vacationss, fine wines, meals at top-class restaurants, expensive clothes, the best seats at sports events or opera or whatever you enjoy.
- 4 **Mobility:** First-class train seats and plane tickets, trips on cruise ships, chauffeur-driven cars wherever you are in the world.
- 5 **Status:** Prestigious invitations, access to important people and exclusive clubs, and perhaps even gratifying deference from others.

- 6 **Influence:** As a generous donor of substantial sums, you can make sure that your views and wishes are listened to and taken seriously.
- 7 **Freedom:** Not being dependent on employers, bosses, creditors, clients, customers. Not being a slave to the calendar, diary, or clock. Knowing you won't have to be a burden on your children.
- 8 **Leisure:** Time to do the things you want, go where you want, meet who you want, when you want.
- 9 **Popularity:** Being able to entertain friends, acquaintances, and contacts frequently and generously does wonders for your social life.
- 10 **Philanthropy:** Being able to make regular and substantial donations gives you the satisfaction of helping people, supporting organizations, and furthering causes you believe in.

Seems a reasonable enough list to me. And whether it's some or all those things that you'd like more of, you need to know how to go about generating greater wealth—which means you need to know what it is that separates the wealthy from the not-so-wealthy. So, what you need to know is what principles, and what behaviors the rich have, that you don't (yet). Some of them you will realize that you know, but don't do. None of this is actually rocket science; it's about understanding and then doing. I've studied a lot of wealthy people, and it's clear to me that there are some fundamental common principles followed by almost all. The bulk of the Rules in this book fall into that category. Then there are also some principles which some rich people swear by, but not all. I've included some of those too for good measure, just in case you too are one of the people they do the trick for.

Security, comfort, luxuries, mobility, status, influence, freedom, leisure, popularity, philanthropy—that's all some people think about. They may not be everything; they may not even

guarantee a happy life, but they're a pretty good basis to build happiness on.

I've tried to set out in this book the most important Rules that can help you achieve these ten things. All of them purport to be about accumulating money, and of course in a sense they are, but at heart they're about money only as a means to an end. A means to achieve those ten ends.

Of course I don't claim that these hundred or so Rules are the only means to these particular ends. You may encounter others along the way that you find helpful. If so, please do feel free to share them. You can email me at Richard. Templar@richard-templar.co.uk.

Richard Templar

PART I

THINKING WEALTHY

Money is a concept. You can't really see or touch it (unless you are holding a gold bar in your hand). You can only do that with some physical symbol of it like stock certificates or a check. Bits of paper, yes, but bits of paper with enormous power.

The concept of money comes with a lot of baggage to most of us. We have an inherent belief that it is good or bad and that wanting it is good or bad. That loving it is good or bad. That spending it is good or bad.

What I am going to suggest in the first few Rules is that maybe, just maybe, how we think about wealth might be holding us back from having wealth. If, in our heart, we believe (even subconsciously) that money is a bad thing and having lots and lots of it is a really bad thing, then chances are we might be undermining our own efforts, unwittingly, to get lots of it.

I am also going to get you to look at how much effort you are prepared to put into making money. It's a bit like a sport—the more you practice, the better you become. Likewise you can't make money while being lazy. You've got to put in some work here, you know.

You've also got to know pretty intimately what you want, why you want it, how you think you are going to get it, what you are going to do with it after you've got it—stuff like that. No one said this was going to be easy....

Anybody Can Be Wealthy—You Just Need to Apply Yourself

The lovely thing about money is that it really doesn't discriminate. It doesn't care what color or race you are, what class you are, what your parents did, or even who you *think* you are. Each and every day starts with a clean slate so that no matter what you did yesterday, today begins anew, and you have the same rights and opportunities as everyone else to take as much as you want. The only thing that can hold you back is yourself and your own money myths (*see Rule 7*).

Of the wealth of the world, each has as much as they take. What else could make sense? There is no way money can know who is handling it, what their qualifications are, what ambitions they have, or what class they belong to. Money has no ears or eyes or senses. It is inert, inanimate, impassive. It hasn't a clue. It is there to be used and spent, saved and invested, fought over, seduced with, and worked for. It has no discriminatory apparatus so it can't judge whether you are "worthy."

I have watched a lot of extremely wealthy people, and the one thing they all have in common is that they have nothing in common—apart from all being Rules Players, of course. The wealthy are a diverse band of people—the least likely can be loaded. They vary from the genteel to the uncouth, the savvy to the plain stupid, the deserving to the undeserving. But each and every one of them has stepped up and said, "Yes please, I want some of that." And the poor are the ones saying, "No thank you, not for me, I am not worthy. I am not deserving enough. I couldn't. I shouldn't."

That's what this book is about, challenging your perceptions of money and the wealthy. We all assume the poor are poor because of circumstances, their background, their upbringing, their nurture. But if you have the means to buy a book such as this and live in comparative security and comfort in the world, then you too have the power to be wealthy. It may be hard. It may be tough but it is doable. And that is Rule 1—anyone can be wealthy, you just have to apply yourself. All the other Rules are about that application.

YOU HAVE THE
SAME RIGHTS AND
OPPORTUNITIES AS
EVERYONE ELSE TO
TAKE AS MUCH AS
YOU WANT.

Decide on Your Definition of Wealth

So, what, to *you*, is wealth? This is one you have to sit down and work out in advance if you are going to get wealthy. My observation is that wealthy people invariably have worked this one out. They know exactly what, to them, wealth means.

I have a wealthy and extremely generous friend who says that he knew long ago when he was starting out in business that he would consider he had made enough when he wasn't living off the money he had amassed (which we will call his capital). Nor would he be living off the interest on his capital. No, he would consider himself wealthy when he was living on the interest on the interest on his capital. Sounds good to me.

Now, this friend knows how much his interest on the interest is making him, pretty much by the hour. Thus if we all go out for a meal in the evening he knows (a) how much the meal has cost and (b) how much he has made while eating the meal. He says that as long as (b) is more than (a), then he is happy.

This is setting the definition of wealth pretty high you might think. Maybe you wouldn't want to set it this high. And that's fine of course. Then again, maybe you'd want to put some kind of figure on it. In the old days everyone wanted to be a millionaire. That was an easy one to judge if you'd got there or not. Today there are a lot of people who have houses worth more than that and they wouldn't consider themselves wealthy at all and yet haven't quite got around to upping the ante to wishing themselves billionaires.*

^{*} Sorry, but to me a billion is a million million and I won't be persuaded otherwise.

My own definition, for comparison, is having enough so that I don't have to worry about having enough. How much is that? I never know. There always seems to be more to worry about—and less coming in. But seriously, I feel that I have been "comfortable" since I started counting in thousands rather than in dollars. I know to the nearest thousand how much I've got, how much I need and how much I can spend.

For some people, not worrying might mean having enough to pay for any emergency that might arise in your family or home. So how will you define it? By the number of cars you own? Servants? Cash in the bank? Value of your house? Portfolio of investments? There are, of course, no right or wrong answers, but I do feel that until you've worked this one out you shouldn't read on. If we don't have a target, we can't take aim. If we don't have a destination, we can't leave home or we'll be driving around in circles for hours. If we don't have a definition, how can we monitor or judge success? If we don't do this, how will you know if this book has been helpful to you?

IF WE DON'T HAVE A
DEFINITION, HOW CAN
WE MONITOR OR JUDGE
SUCCESS? IF WE DON'T
DO THIS, HOW WILL YOU
KNOW IF THIS BOOK HAS
BEEN HELPFUL TO YOU?

Set Your Objectives

By defining what you mean by wealth, you now have a destination. Setting your objectives is establishing a timetable to reach that destination. It's quite simple. If you know you are going to drive to a certain place, it makes sense to know

- What time you are leaving home
- What time you expect to arrive
- What route you are going to take
- · What you will be doing when you get there

Getting rich is exactly the same. You will want to know in advance what rich means to you, how you intend getting there, how long you expect it to take, and what you are going to be able to do or want to do with your money when you get it.

So, having defined what wealth means to you, can you now see the importance of setting your objective? Think about how you intend getting rich and how long it is going to take you, and then set your objective. It might be simple: "I am going to be a millionaire by my fortieth birthday, and I shall make my money by running my own property development company."

That was easy. Well it was for me because I'm only making up an example for you. For you I wager it's going to be pretty hard. This is because you won't have thought about this before. Oh, I daresay you might have had a casual dream—I want to be very, very rich and/or famous and/or successful. But few people—only the rich, famous, and successful ones in my observation—actually decide what and when and how. You

have to if you too want to be wealthy. And I assume you do or you wouldn't be reading this far. Good for you.

Now set your objective. I can wait.

Back already? How did it go? Your objective has to be realistic, honest, and achievable. By realistic I mean that setting an objective of being the richest person in the world might happen, but it isn't going to, it isn't realistic.

Honest means you have to be true to yourself and set an objective that you can live with and work with. Lying to yourself means it will fail. Lying to others means it will fail.

Achievable? Yes—that, too. If you know nothing about property and aren't interested in learning, have no capital and can't get a mortgage, then setting an objective to be a property developer isn't realistic, honest, or achievable.

Happy with what you've got? Good. If not, try again and let's get a move on; we want to get you up and running as soon as possible.

YOU WILL WANT TO
KNOW IN ADVANCE
WHAT RICH MEANS TO
YOU, HOW YOU INTEND
GETTING THERE,
AND HOW LONG YOU
EXPECT IT TO TAKE.

Keep It Under Your Hat

Now that you have embarked on a new journey, a new direction, it might be worth keeping it under your hat. There may come a time when you will need to discuss what you are doing with money mentors (see Rule 71) but for the moment don't broadcast what you are doing. There are several reasons for this:

- Other people's opinions can often be negative, and this can discourage you.
- If everyone is doing it, there may be less room for you.
- There's no need to give away all your best ideas.
- Having other people discussing your business among themselves is never good for you.
- You don't want to be seen as preaching or trying to convert people to your way of thinking.
- No one else really wants to know what you're up to—if they
 ask how you are, reply with a simple "Fine" rather than a
 lengthy explanation of what you are doing.
- It's nice having a secret—gives you a warm, smug, glowing feeling.

If you go round broadcasting what you're doing, there will be people around you who will get jealous and will do pretty well anything to discourage you. After all, you are saying goodbye to them in a way. You are proclaiming that the old you, the old lifestyle, isn't good enough any more and you are off to greener pastures. Of course, they are going to be unhappy about that. So keep it under your hat. That doesn't cost anything or require

you to do anything.

Let this be our little secret. Carry on learning and practicing the Rules, but just don't go telling everyone—no matter how much you think they might benefit from reading this book. Leave a copy around by all means, of course.

The interesting bit is that even if you did go telling everyone, they're unlikely to do anything about it. Most people would rather watch television than drag themselves out of their pit of poverty. I am only thinking of you when I say keep it under your hat. Anyone who gets religion of any sort needs to keep a tight lip on it. People really hate being preached at, lectured at, encouraged to think about their lifestyle, or told that what they are doing isn't good enough. Gaining prosperity is one of those things you do privately, clandestinely, surreptitiously. Not that there is anything wrong, just that it's best done alone.

NOW YOU HAVE
EMBARKED ON A NEW
JOURNEY, A NEW
DIRECTION, IT MIGHT BE
WORTH KEEPING IT
UNDER YOUR HAT.

Most People Are Too Lazy to Be Wealthy

You have to get up early, work hard all day, and go to bed still working on your objective. Yes, money does sometimes grow on trees—or so it seems. Yes, people do win the lottery, the jackpot, the big prize. People do get sudden inheritances from long-lost relatives. Yes, people do suddenly find fame and fortune where they sought for none. But it isn't going to happen to you. Well, the odds are that it won't. If you set your objective as Win the lottery and live in the lap of luxury forever, then read no further. Put this book down and go and buy lottery tickets. If your objective is a little more realistic then read on.

Most people are too lazy to be rich. They may say they want to be, but they don't. They may buy a lottery ticket as a sort of half-hearted gesture of wanting to be rich, but they aren't prepared to put in the work. They aren't prepared to make sacrifices, study, learn, work their socks off, put in the effort, and make it a determined and concentrated focus of their life.

And for a lot of them—not you—it is because they believe that if you do so you are somehow tainted with evil (*see Rule 7*). But is it OK to work hard to make money? Is it a worthwhile thing to want? It depends on why and what you are going to do with it I guess.

Most people don't want to do the work. Yes, they want the money but only if it comes to them by accident, by luck, by chance. Then it's OK. Then it's not tainted with sweat and work and passion and focus.

I think if you look at anyone rich enough to be a role model—Bill Gates, Richard Branson, Warren Buffett, Simon Cowell,

James Dyson, Petr Kellner*—you'll notice only one thing in common...they work their socks off. They might make their money from computers, sales, business, the film industry, vacuum cleaners, pop music, radio stations, whatever. But the one thing they all share is the ability to do more in a day than most of us do in a month.

And that's the wonderful thing about wealth—it's lying around waiting to be claimed (remember Rule 1). And those who claim it are the ones who get up early, work hard, and put in the hours.

And you are going to have to as well. I don't have slackers or freeloaders on my team. I want hard-working, dedicated, focused, ambitious, driven money makers. With a sense of fun of course.

MOST PEOPLE ARE TOO
LAZY TO BE RICH.
THEY MAY SAY THEY
WANT TO BE,
BUT THEY DON'T.

^{*} I did have a bet with myself that you wouldn't have heard of him—the Czech Republic's first billionaire.