

The Indisputable Laws of Wealth™ by George Mihos



Law No. 3 – The Habit of Capital Preservation – Saving Our First Wealth Bucket...

In order to go anywhere you first need a starting point. The same is true with becoming wealthy. You must identify where you currently are before you can go ahead and build riches.

I am often asked for the “secrets” of how I became wealthy. This very question baffles me, (even though I understand why people would ask as this is how I use to feel) for I firmly believe that the entire universe is based on very sound fundamental laws, which have been known to us for many thousands of years. Werner Von Braun, the father of the rocket program that successfully landed the first human on the moon once said that these fundamental laws were “so precise that we have no difficulty building a spaceship to fly to the moon and can time the flight with the precision of a fraction of a second”.

Yes! **There are very precise fundamental laws for becoming wealthy.** They are the same today as they were five thousand years ago when the pyramids of Egypt were being built and they will be the same five thousand years from now. Yet, it is because they are so obvious, we fail to notice them and hence we insist on calling them secrets. We keep looking everywhere for that magic mantra outside ourselves that we believe will make us wealthy, totally unaware that deep within us we already know the surest way to wealth.

The habit of saving is possibly the most fundamental of all secrets to getting wealthy second only to the practice of gratitude (***please refer to Law no. 1***).

Before we go into this important law you must be aware of this basic truth - *the present state of your bank account, your health, social life, your position at work is nothing more than the physical manifestation of your previous habits. If you sincerely desire to change your results in the physical world you must change your habits immediately.*

There is an old saying that goes something like this: “Sow a thought and reap a belief... Sow a belief and reap an action... Sow an action reap a habit... Sow a habit and reap a destiny” To reap a destiny of wealth starts with the thought of becoming wealthy. What I want to empower you with here is the belief that *anyone can become wealthy without fail over a relatively short period of time if they sow the habit of saving.*

In the 1926 classic "The Richest man in Babylon" George Clason tells the story of a wise investor in ancient Babylon whose primary rule was "*A part of all you earn is yours to keep*". How true! Most of us save out of what's left over after paying everyone else first. Wealthy people save first and then live on what's left over. **This is the critical distinction between those who are wealthy and those who are not.**

There are three distinct categories of people with respect to their finances

1. Broke category- They are always in bad debt
2. Surviving category - They are just getting by but debt free
3. Thriving category – always grateful and at cause...

It is very easy to trick oneself into believing that if they were in categories one or two all they must do is earn more money and automatically graduate into the third category. Nothing could be further away from the truth than this! For if one is in the habit of spending more money than they earn or just breaking even they will always be that way whether they earn one hundred or one hundred million (God help them if they suddenly came upon such wealth with their current habits). If they are in debt today for fifty dollars when they earn one hundred, they will be in debt for fifty million dollars when they earn one hundred million! **Money only magnifies the result of the habit.** It does not and cannot change it.

Practically all people who live beyond their means are tempted to speculate with the wishful thinking that they may recoup at a single turn of the wheel of fortune their entire indebtedness. They are forever searching for that quick fix- that get rich quick scheme, that lottery, that position in the hot seat of a TV show which will at one deft stroke swiftly obliterate all that indebtedness and take them into a position of financial surplus. Alas, that never happens and most often they find themselves worse off than they were before. **There is no short cut to lasting wealth except through mastering the habit of saving.**

Saving produces four important results

1. Discipline of character
2. Mastery and Control of money
3. Unstoppable momentum
4. Activation of the Law of Attraction

Impulsiveness of behaviour is possibly the most important cause of the indignity of debt. The need for **instant gratification driven by the mentality of scarcity is the surest way to poverty.** It is this trait of human character that advertisers call upon when they pitch their commercials at us. We must have that new car, that new TV set or that new suit even when we do not have the capability to pay for it. But hey! Wait a minute there is a simple solution for that - Swipe of a piece of plastic in our wallets through a card reading machine and presto we have it NOW! Of course we will need to pay "a few dollars a day" over the course of a few years but that doesn't matter NOW! Poverty is indeed a disease of the mind.

The very habit of saving requires **discipline and self-control**. When you successfully practice this habit, money becomes your servant, unlike for most people who are at the mercy of money. You control how much goes out and how much you retain. More importantly when you stop wasting your time on money draining activities, you begin to look for areas where you can spend your time in more empowering ways.

Soon you discover the **wealth in other areas of your life** - your friends, your family, the community, meaningful work and the pursuit of specific knowledge. Have you ever wondered why some people have it all - The beautiful homes, the cars, a wonderful family and troops of friends? I speculate that it stems from the discipline and balance brought about by the habit of saving.

The third outcome of the habit of saving is **unstoppable momentum** towards wealth. Let us suppose that you are saving just 10 percent of your income every month. You soon learn to live very well (actually much better as indicated earlier) on the remaining 90 percent. Psychologists estimate that such an adjustment takes about 21 days to become a habit.

Here's the surprising thing that happens next! Soon you will start to save 12 percent, 15 percent and then more. Amazing! But, I hear you asking, "how long can I continue doing that on my current income? After all, George there has to be a place where you reach the maximum you can save isn't there?"

Well my answer is NOT TRUE because here is the absolutely unbelievable next stage! The habit of saving and the momentum it generates now activates the **Law of Attraction**. (This sounds bizarre hence we will cover this in depth in a later newsletter) As you save your money with your own emotions of hope and desire (not fear and greed) that money develops a force field of energy around it and begins to attract more money into your life to go with it. The power exerted by that money in your bank account will attract more money and more opportunities for you to increase your income and savings. **The more you save the more you will attract!**

You will start to receive small bonuses and unexpected increases in pay that will add to your account. People will pay back old loans and you will suddenly find income tax returns you did not expect. As you begin to accumulate money you will also attract opportunities to invest that money intelligently. **When you are ready exactly the right opportunity will appear at exactly the right time.**

But I hear you say, "I am in terrible debt, I have pennies in my pocket, and a mountain of bills and this turkey called George is telling me to save 10 percent to get wealthy - your Pollyanna"

I have to say this - you are not alone. So many others have done it before you that the path is very well mapped out. I ask... If they could do it, why not you? It does not matter where you start and it is totally irrelevant where you have come from. **You can become wealthy in a relatively short period of time just by following a few disciplines.** What have you decided today? Do you want the equities of life - wealth, troops of friends, a wonderful family, sound physical health and the God given privilege to impact others lives? Then just decide today to become wealthy and do the exercises below.

Yes indeed the law of saving is magical and produces magical results! No matter where you are today you can produce that magic. **You can work miracles!**

However there are three things I want to caution you against that will lead to poverty even if you are saving

1. The Law of Scrooge
2. Incongruence of focus
3. Parkinson's Law

The *Law of Scrooge* comes from the Dickensian character in 'A Christmas Carol'. Scrooge was a miser. He hoarded his money until he was paid a visit on Christmas morning that transformed his associations to money. Such people can never become truly wealthy because they are obsessed with money for money's sake. They see only scarcity in their environments. They are always miserable. In fact the words misery (miser ey) and miserable (miser able) come from this type of behaviour. It is worse than being poor... It is absolute wretchedness.

I also want to caution you against being *incongruent in your focus*. You cannot save your own money and waste someone else's and expect to get wealthy. This is because wealth is energy that flows through the universe in unlimited proportions. You get what you put into the universe. However, when you waste it anywhere you are diminishing the total wealth of the universe. And the amount that you waste gets taken away from you. It is very simple logic.

Is it surprising then, that Donald Trump who is known for his lavish lifestyle ensures that before he leaves the office does the rounds and switches off all the lights? Or that Azim Premji, who at one time was the second richest man in the world after Bill Gates, is very strict about the wastage of office stationery? While they may appear like Scrooge, they are actually very smart because the discipline of saving engendered in their employees grows in other areas of their lives leading to greater productivity. That is why they are multi billionaires.

The third thing I want to caution against is Parkinson's Law. When you have developed the habit of saving you will find that your income automatically increases through the Law of Attraction. Parkinson's Law *says that expenses always rise to meet income*. To achieve financial independence you must consciously break Parkinson's Law. Your expenses may rise as your income increases but you must never allow them to rise so high that they consume all that you are earning.

Here's how you break Parkinson's Law. Place into your financial freedom account a minimum of 70% of any extra money above your regular income that happens to come your way. Spend the other 30% to reward yourself for your discipline. Make this a habit and your financial future is guaranteed.

Exercises - Live with Passion & Take Massive Action... or go and build an ant farm... either way, I dare you!

1. Go purchase and read the Richest Man in Babylon. If you are struggling and in-debt then use the strategy in the chapter titled "The Clay Tablets from Babylon" of this little book to eliminate your debts. It is a simple straightforward process and has worked for countless people through the ages.
2. Commit to recording for a minimum 30 days all monies in and out of your household i.e. cash, ccards, cheques, etc... one of the most yet simple tactics is **Test Measure Monitor**... you will be surprised how much more money you can or have access to that is not serving you... once you have done this send me an email and I will provide you with a 15 min FREE consultation
3. In your journal write at least 25 ways you can save money in your current budget based on your expenditures over the last one year. You may at first think it is too difficult but if you look closely you can easily find many more. Just go for it and don't put your pen down until you have written at least 25.
4. Identify ways in which you are wasting money that is not yours and **take immediate action to stop it**. You could turn off the lights in your office when not necessary, save office stationery, report leaky taps, save heating, identify a flaw in your company's processes etc... Focus on the wealth that is coming to you because of your actions!
5. As previously shared in Law No. 2 - Add Value First... go and add value to the lives of others in your community through volunteering. You could visit a hospital or an aged care facility, or fund raise. Just find something that you can do for others and do it today. Go take action NOW.
6. Add value to your friends by passing on this newsletter. It does not matter whether they are struggling in debt or are in surplus. They may know others who are struggling. My goal is to reach all Australians with this message of hope that **anyone can be wealthy in a relatively short period of time just by practicing a few basic disciplines known for thousands of years**. Who do you know who could benefit from this message? Just click here and enter their name and email addresses and we will forward them the previous two laws and all the others to come.
7. **Do you have any other tips to help people save?** Please let us know... We are compiling a list which we will share with all the Wealth Insider Club members... We will acknowledge your name and contribution upon distribution.

Top 10 tips for saving:

1. Before you spend one dollar of your income take out 10 percent and put it in a special account called your Financial Freedom Account. Do not touch this money under any circumstances.
2. Pay for all depreciable items (cars, TV's, stereos) with cash. Never pay interest on an item that depreciates unless the cost of borrowing is less than the financial rate of return that item gives you.
3. Spend just half a minute extra for every money transaction you make. Truthfully ask yourself this one question with emotion "If this were my last dollar would I spend it on this purchase?" That will immediately curb impulse buying. It is just this thirty seconds that separates multimillionaires from the poor.

4. Plan your purchases down to the last detail and be purposeful when you shop. Always shop with a list and never stray from what you have decided to buy.
5. Extend your purchasing horizon. John Paul Getty one of the richest people of the twentieth century was fond of saying "I am rich because I buy my straw hats in winter" Many purchases can be made during the "off season" with massive discounts. Such purchases include birthday gifts, airline tickets, Christmas items and apparel.
6. Never pay retail except in emergencies. Stay away from those convenience stores particularly when you purchase petrol.
7. Always get a receipt and always check it for errors. This will take you just a few seconds longer. Categorise your expenditures (you may qualify for a tool that can support you in this endeavour) and file that receipt under the appropriate category. Some categories could be tax deductible. For example suppose you purchased a notebook and instead of throwing it away you kept the receipt. Lets suppose your tax bracket is 30%. If you could claim it on tax (ask your accountant how) you have an immediate 30% return on your investment. Hey did you understand that? **You get an instant guaranteed 30% return on your money!** Start today to invest those extra few seconds.
8. Do not spend major money on minor things. Always save for and buy quality, particularly when it comes to infrequent purchases like apparel and related items. It is an investment in your future and breeds discipline. Buy half the amount by investing twice the money. It will not only give you greater utility and satisfaction but also will enhance your self-esteem and keep your energy focussed on the prosperity that is coming to you. By all means stay away from cheap shops. They are not only a waste of money but they keep you in the energy of poverty and misery.
9. Where possible shop on line. You save much more due to cost efficiencies
10. Only use your mobile phone in emergencies. Cancel that extra cable channel or better still cable TV all together, avoid pubs except on rare occasions, cut out that extra coffee you buy on the way to work, pack your lunch instead of eating outside. Join a gym or dance class instead and spend your "pub" time in the library or with loved ones. They will bring you untold wealth instead through a network of friend, outstanding health. Avoid playing the Tattslotto. You do not need it to get wealthy. There is a much surer way to get far wealthier than any tattslotto win.

It is my sincere desire that you will follow these steps to wealth and empower your loved ones by your actions. I wish you greatness. Let us join hands together to make Australia the envy of the world!

