

# **The Millionaire Next Door Summary with 20 Lessons Learned**

Here are the 20 lessons to learn from The Millionaire Next Door Summary:

## **#1 Investment First, Then Luxury**

Pretentiousness keeps you from investing. Our goal is not to look rich, but to be rich. Luxury items will make you feel good for a while. The important thing is to have cash on hand when you get an opportunity to invest. When you buy the most expensive car you can afford, you may miss out on the opportunities ahead. Know this before you experience the uneasiness of being stuck for money.

## **#2 They Do Budget Planning**

No matter how much money they have, millionaires always know their expenses, how much they spend monthly. It tracks the increase and decrease in expenses. They plan their budget accordingly. They know the value of every penny. They do not spend money as if to prove their wealth.

## **#3 Time Is Money**

Millionaires have mastered scheduling. Because they want to spend every second productively. So when you have the opportunity to present your opinion to a millionaire, he expects you to impress him in a few sentences.

## **#4 The Rich Do Business With The Rich**

In the internet age, you can become rich when you reach millions of people by selling cheap products, but we see that millionaires love to offer products and services to other millionaires. It is both more profitable and easier to do business with people who have money to spend.

## **#5 Take Care of Your Own**

Do not seek advice from elders about finances. Because time passes quickly and investment tools change. Not every adult can keep up with it. Be financially literate and make your own investment decisions.

## **#6 Raise Children Who Know the Importance of Money**

The wealth you have will help your children to lead a good life, but at the same time, they need to live by growing this wealth. Teach them to manage with their pocket money so that they will understand the importance of the wealth they will have when the time comes.

## **#7 Follow Your Career, Not Your Emotions**

Millionaires choose professions where they can have capital as soon as possible and start their own business at the first opportunity. This is how they raise their children. They do not make emotional decisions. Financial freedom will bring happiness anyway.

### **#8 Buying Luxury Items Is Not An Investment**

What millionaires care about is their quality of life and their health. They argue that it is not wise to spend money on matters other than this. They say that luxury items are useless, not easily sold, and complicate the situation, especially when they need cash. Moreover, if you bought these luxury items with debit or credit, they talk about the fact that in an emergency it can even put you in a depression.

### **#9 Save**

There is no guarantee of how long you can work in life. That's why, no matter how old you are, you should save as if you can't work tomorrow. The side story of becoming wealthy is saving for retirement. Saving is also partly an investment for your future.

### **#10 Get Accounting Education**

Whichever of the 2 millionaires earning the same money manages to pay less tax means that he has made more profit. For this, you must know the laws well and have a good command of accounting. You should consider opportunities such as installments. The later and in small pieces you pay, the longer you can work that money for yourself.

### **#11 Try to Get Out of Loan Debt**

If you have enough money to pay off your loan debt, do it now. If you can't make money tomorrow, don't bother with banks with loan debt on top of that. It also ensures that you can take out a loan when you see a new investment opportunity.

### **#12 Your First Home Should Be An Ordinary Home**

If you've just started making a lot of money, don't go and buy the biggest house right away. Because it can cost more than you can imagine. This will cause you to fall into financial trouble that you did not expect. Take your time. There are enough big houses and you can get them whenever you want. Be wealthy first.

### **#13 Don't Be Afraid of Credit Cards**

You can earn credit points by using your credit card for small expenses and then paying off all credit card debt. It also saves your mind from the debt postponement trap. As your credit score increases, you can take out a loan for larger expenses.

### **#14 Investing Right**

Investments are opportunities that provide you with short and long-term profits. These opportunities involve more or less risk. You can't become wealthy without taking smart risks on your way to a millionaire. The right way to invest is to start with small investments first. As you learn the process, you can make larger investments.

### **#15 Even Without Stock Market**

The stock market is not the only way to become a millionaire. It pays a lot, but it is very risky. Investing in companies that are on the rise and promising, instead of stocks, may seem like little gain at first, but it is both safer and these investments can make you a millionaire at the end of the day.

### **#16 Perseverance Not Ambition**

Working hard is a must for this job, but it should be done calmly, not with hatred or anger, but with beautiful dreams. We aim to improve our quality of life. Working as if you have to prove something to anyone wears you out.

### **#17 Growing Your Business**

Instead of entering every sector, try to expand your business as much as possible in the sector that you dominate and where you are already making money. Investing in various fields is the right move, but those investments must be small.

### **#18 Enrich Your Environment**

Instead of being richer than those around you, you can grow your wealth by making them rich. By making someone grow their business, you can earn money from that business. Moreover, you can earn income even from areas where you do not have much knowledge.

### **#19 Comes Quickly Goes Quickly**

Wealth is permanent when acquired step by step. But this does not mean that the great fortune that comes suddenly will be lost. If you suddenly become wealthy (such as inheritance), start by investing in areas with near-zero risk first. You may not know how to make a fortune, but you can learn to hold and grow that wealth.

### **#20 You Don't Have To Be So Clever**

Many geniuses spend their lives in misery. Because they don't know how to make money or turn their talents into money. Being a millionaire is not a talent or a chance. It is a situation that can be achieved completely with discipline, knowledge, and environment.

## **Top 10 Quotes from The Millionaire Next Door**

1. "Most people who become millionaires have confidence in their own abilities. They do not spend time worrying about whether or not their parents were wealthy."
2. "Today we are much wiser about the life styles of the affluent. When we interview millionaires these days, we offer a spread that is more con-gruent with their way of life."
3. "Being frugal is the cornerstone of wealth-building. Yet far too often the big spenders are promoted and sensationalized by the popular press."
4. "Certainly some millionaires purchase expensive watches. But they are in the minority. Even among millionaires, only 25 percent of those surveyed paid \$1,125 or more. About one in ten paid \$3,800 or more. About one in one hundred paid \$15,000 or more.."
5. "They became millionaires by budgeting and controlling expenses, and they maintain their affluent status the same way."
6. "Financially independent people are happier than those in their same income/age cohort who are not financially secure."
7. "To build wealth, minimize your realized (taxable) income and maximize your unrealized income (wealth/capital appreciation with out a cashflow)."
8. "If you're not yet wealthy but want to be someday, never purchase a home thatr equires a mortgage that is more than twice your house hold's total annual realized income."
9. "There is aninverse relationship between the time spent purchasing luxury items such ascars and clothes and the time spent planning one's financial future."
10. "Your ability to hire high-grade financial advisors is directly related to your propensity to accumulate wealth. This, in turn, relates to one of the fundamental reasons business owners outpace all other occupa-tional categories in accumulating wealth."