

7 RULES FOR FINANCIAL SUCCESS

Joe Bradford





WHY 7

RULES?

Salam Alaikum,

You are probably wondering why I wrote out these 7 rules. Well, I get questions all the time on Facebook, Twitter, Reddit, and my websites on the topics of money management and finance.

Over the years I've noticed one thing: not only are the questions similar, but so are the answers. Usually the solutions people need rest on common principles that, if implemented, would allow them, to avoid mistakes and become financially stable and successful.

So here is a list I put together of seven of the most important rules for financial success. While we could spend hours if not days drilling down on each of these, these are foundational.

Before doing going into any form of investment, business, major purchase, or financing, keep these broad principles in mind.

So let's jump right into to the **7 Rules for Financial Success:**

1

MEMORIALIZE YOUR VALUES

If I were to ask you right now “What makes you, you?” how would you answer? Don’t live another second without answering this question. Part of living life to its fullest and having financial success is understanding *why* we are living. The Prophet (ﷺ) said *“Actions are by intention, and every person will have what they intend...”*

Here’s a challenge for you. What are those things you intend daily? What are your aspirations? Write down your top three values in your own words.

1. _____
2. _____
3. _____

In order to start down the path to financial success, you’ll need to think about what your personal values are. Ask yourself: What is it about these 3 points that is important to me? Why? How can I describe this to others?

If you want to maximize your financial success, you have to make a conscious decision to be successful. Personal values guide your career choices. They in-form your life decisions. Almost every success and every mistake we make can be attributed to us consciously making a decision based on those values.

Every person will have what they intend.

Understand what you are intending and why is key to success.

2

STOP

GAMBLING

We all know that one person.

They approach you with their latest business proposition. They promise that its “a done deal” and that you “can’t lose.” 99.99% of the time, this is absolutely false. It is not a done deal and you CAN lose, in fact you WILL lose.

Don’t be that guy.

If you want to invest in ANYTHING you must have a plan, understand that investment, and make sure you are gambling with your money.

The Messenger of God (ﷺ) said: *“Whoever sells a house and does not reinvest in something similar is sure not to be blessed therein.”* (Ibn Majah)

In the prophetic era, much like today, a home was a significant asset with significant value. If you take something of significant value and use it to endanger your financial wellbeing, then you deserve to not be blessed in that transaction.

If you don’t use your net worth wisely, you can’t blame anyone but yourself when you experience avoidable losses.

Remember: Money that doesn’t help only hurts.

3

INVEST IN YOURSELF

Before we get started on this rule. Here are a few formulas I want you to think about:

A. Wealth = Surplus x time

B. surplus = Income - spending

C. Time = ?

“If you would rely on God as He should be relied on,” said the Prophet (ﷺ) “He would sustain you like he does the birds. They leave their nests in the morning and return in the evening with full stomachs.”

If you’ve set your values and intend to work towards them, now there’s just one thing left: how you spend your time.

Want to be rich? You have to work for it. Want independence? You have to put in the hours. Sounds simple.

It isn’t.

So many people are good and have the best intentions. However they make one fatal mistake. They don’t put in time. In order to be financially successful, you have to be that bird that leaves its nest in the morning knowing that it will return in the evening with a full belly.

4

HAVE A BUDGET

The Prophet (ﷺ) said: *“If I had Mount Uhud in gold in my possession I wouldn’t allow it to stay with me for more than 3 nights before giving it all away, except for a bit that I save to pay off my debts.”* (Bukhari)

If you don’t know what you have and what you have coming, then you will chase your tail to financial success.

You’ll move a lot, but it will be in circles without purpose (see [Rule #1](#)).

The most common way people go wrong with their finances is they have no idea how much they have.

The 2nd most common way is that they spend more than they make. Here’s what you need to do to get on track: First find out how much you make, then find out how much you spend, then figure out how much debt you are in.

When you’ve done that, you’ve created the most rudimentary budget there is. Its all up from there. Start to break out your income streams, then your expenses, then break your expenses into essential and non-essential.

Do all this on paper. Yes there are apps. You need to write this down, putting the numbers on paper makes them real, tangible, scary.

Once you have a budget, you can move on to the next rule:

5

PAY

YOURSELF



Now that you have a budget, you need manage that money.

Regardless of how much you try, if you don't have money at the end of the month, there is little you can do help your situation. You need a surplus to cre-ate wealth.

Remember the formula: $\text{Surplus} = \text{Income} - \text{Spending}$

To create a surplus, you have to stop spending more than you make ([Rule #4](#)). To create wealth, you need to use that surplus with your available time. But how do you use time?

Let's take one instance where time is key: paying off debts, especially interest bearing debts.

You may say to yourself: I'll just continue to pay off my credit card minimum and instead invest any extra I have. Guess what? If your investments are only paying you 3% and your credit card company is charging you 10%, then every month you are earning negative 7%. This means while you think you are earning, you actually going deeper into debt. By paying off the highest interest earning debts first, you are paying your self monthly.

By the time you have a true surplus and no interest earning debt, you will be making money instead of losing.

6

DON'T FORGET TO GIVE



If you want to grow, you have to shed excess.

Look at a plant.

Every fall it sheds its leaves, allowing it to rid itself of disease, harmful growth, and dead weight. When spring comes it blooms and blossoms into a bigger, stronger, and more healthy version.

This is the meaning of the word “Zakat,” a word we usually equate with purification, but is actually taken from the process that a plant purifies itself for growth and health.

The Prophet (ﷺ) said: *“Wealth is never decreased because of charity...”*

If you can't give away a little to others, you'll never understand what it means to be needy. Think about it like this. People all around you help facilitate the ease that you and others enjoy. By making sure that their basic needs are met, you are in fact making sure that your own personal prosperity is met. As they say: when the water goes up, all boats rise.

You might give your yearly Zakat, general sadaqah, or volunteer your time.

What's important is to remember not to forget to give.

It's what fulfills you spiritually, purifies your wealth, and allows you to grow strong and healthy financially.

7

THERE IS NO BLACK BOX

We all want to make money.

Want to know the secret to making money?

The only secret to making money is hard work.

None of us know the unseen, and none of us knows what the future will hold. The Prophet (ﷺ) was ordered by God himself to teach this to us: *“Say: If I knew the unseen I would gather for myself good and harm would never touch me!”* Scholars have said: *“What this means is if I knew the unseen I would prepare for bad years during the good years, I would have protected myself from higher prices by preparing in times of lower prices.”*

Before you invest in anything, take any job, or assume any responsibility you have to understand what is at stake, how the markets function, and what your role should be in all that.

Even God’s messenger told his companions, after they relied on his question about pollinating their date-palms, *“You all know your worldly dealings best.”*

You have to educate yourself on not just the “why” behind an opportunity, but on the “how” as well. There are natural laws God has placed in this earth, those have to be taken into consideration.

Want to trade shares? You need to understand the markets, micro and macro economic factors, and how the mechanics of the markets work.

Want to start a new business? You need to understand supply and demand, budgeting, expenses, marketing, etc.

Want to invest in your 401k or IRA? You need to understand what risks are involved, what sort of investments your fund will make, and how you will deal with these accounts with regards to taxes, zakat, and fees.

There's no secret sauce.

THE ONLY SECRET TO MAKING MONEY IS HARD WORK.

You can't just put your money in a box and expect it to shoot out profit.

You have to educate yourself, put in the requisite time and effort, manage the wealth you make, and most of all do all this with purpose.

There is no black box.

These are my 7 rules for Financial Success. Take a day for each and try to implement it. After a week you will be on the path to financial success...

ABOUT THE AUTHOR

[Joe Bradford](#) is a US based expert on Islamic finance and Islamic Studies. He holds a graduate degree in Islamic law and legal theory from the Islamic University of Medina and has studied traditionally with scholars from around the Muslim world.

He is an entrepreneur with more than a decade of experience in finance as well as other fields. He is the author of the best selling "[Simple Zakat Guide](#)."

He blogs at [JoeBradford.net](#). His work is focused on advising businesses, non-profits, and individuals on aligning their values with their financial decisions. He is co-founder of [MyWassiyah.com](#) the only web-based Shariah compliant and legally valid Islamic Will service.



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