#1 Book Summary: The Millionaire Next Door, by Thomas J. Stanley and William D. Danko

by Allen Cheng

https://www.allencheng.com/the-millionaire-next-door-summary-thomas-stanley-william-danko/

Want to learn the ideas in The Millionaire Next Door better than ever? Read the world's #1 book summary of The Millionaire Next Door by Thomas J. Stanley, William D. Danko here.

Read a brief 1-Page Summary or watch video summaries curated by our expert team. Note: this book guide is not affiliated with or endorsed by the publisher or author, and we always encourage you to purchase and read the full book.

Video Summaries of The Millionaire Next Door

We've scoured the Internet for the very best videos on The Millionaire Next Door, from high-quality videos summaries to interviews or commentary by Thomas J. Stanley, William D. Danko.

https://www.youtube.com/watch?v=Hxi2JzI3dJc

https://www.youtube.com/watch?v=ZWfeKqkZ0p0

1-Page Summary of The Millionaire Next Door

Overview

This book explains how people develop specific attitudes and behaviors around money that they learned from their parents, which will determine whether or not they become wealthy. It also goes on to present the guiding principles and thought patterns of millionaires so that anybody who wants to get rich can adopt them.

Millionaires live a glamorous life, with private jets and luxury cars. They also have large mansions in the exclusive Hollywood hills.

Is it true that most millionaires live a lavish lifestyle? That's not really the case. Most Americans who are millionaires actually live what others would consider to be normal lives. What's more interesting is that these people became financially successful by living modestly and planning their finances accordingly. It can also help you become financially independent if you learn how to plan your finances correctly.

The guy driving a Bentley probably makes less money than you do, so start saving your cash. You should also save when you're young and want to give the most amount of money to your kids.

Big Idea #1: Millionaires don't live the high life. They budget wisely and are careful with their money so they can maintain their affluence.

If you were a millionaire, you would probably spend all your money on expensive things like Prada and champagne. But in reality, millionaires don't actually buy that many expensive items. If you want to become a millionaire yourself, it's important to be frugal with the money that comes in so that you can save up enough for investments. Most self-made millionaires have modest backgrounds and didn't earn millions every year; they just saved their earnings from working hard at their jobs and avoided spending too much of it on unnecessary stuff.

The way people become millionaires is by controlling their budget and maintaining their affluence. They think long term and plan for the future.

A survey found that for every 100 people who don't budget, there are 120 people who do. If you want to become a millionaire, it's important to plan your expenses and structure them accordingly. That way, you can make sure that enough money is set aside for retirement. For example, if you're saving up for retirement and want $1 million in the bank by age 65 (which should be more than enough), then figure out how much money you need each month to get there based on an 8% return on investment (ROI). Then cut back your living costs so that they add up to less than $2,000 per month ($24K/year) and invest the rest of your income into savings or investments with an ROI above 8%.

The Rules are rich, and they want to retire with $5 million in savings.

The couple had to find ways to invest in their business and save money for real estate purchases.

Big Idea #2: People who are financially independent believe that it's more important than being flashy and having social status.

Many millionaires are interested in financial independence instead of luxury cars. Financial independence is important for well-being. In the same income bracket, people who are financially independent are happier than those who aren't. But what does it mean to be financially independent? If you can continue your current lifestyle when you retire and survive a future financial crisis, then you're financially independent.

People who are financially secure have clear goals for the future, which helps them organize their budgets. For example, Mrs. Rule is happy and financially secure because she has a plan to retire early and put money away for her grandchildren's college tuition.

Like this book summary? Visit www.allencheng.com for more.