

BUSINESS INSIDER

79 years ago, a journalist studied 500 rich men and boiled down their success into 13 steps



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At the peak of Andrew Carnegie's career, he crossed paths with an impressive journalist named Napoleon Hill, who he trusted to document — and share with the world — the strategies that turned him into one of the wealthiest and most successful businessmen of all time.

"It was Mr. Carnegie's idea that the magic formula, which gave him a stupendous fortune, ought to be placed within reach of people who do not have time to investigate how men make money," Hill wrote in the preface of *"Think and Grow Rich,"* the result of his collaboration with Carnegie.

In addition to analyzing Carnegie, who became the richest man in the world after starting with little more than a penny upon arriving in the US from Scotland, Hill studied more than 500 self-made millionaires over a span of 20 years.

His interviews and research culminated in the 1937 bestseller, *"Think and Grow Rich,"* which shares what he calls the "money-making secret" in 13 principles.

There is no mention of "money," "wealth," "finances," or "stocks" within Hill's text; he takes a different approach, focusing on breaking down the psychological barriers that prevent many of us from attaining our own fortunes.

This approach is still relevant today, 78 years later. As personal finance expert Farnoosh Torabi said on [episode one of her podcast](#), "Mastering your money has more to do with psychology and mindset than anything else."

Here are Hill's 13 steps, in his words and ours:

1. Desire: You have to want it.

All of the super wealthy started with a certain amount of dreaming, hoping, planning, and desiring before they became rich. They imagined riches before they saw them in their bank accounts, Hill explains:



Chip Somodevilla / Getty

Napoleon Hill interviewed more than 500 self-made millionaires over a span of 20 years (although he predated Bill Gates).

Wishing will not bring riches. But *desiring* riches with a state of mind that becomes an obsession, then planning definite ways and means to acquire riches, and backing those plans with persistence which *does not recognize failure*, will bring riches.

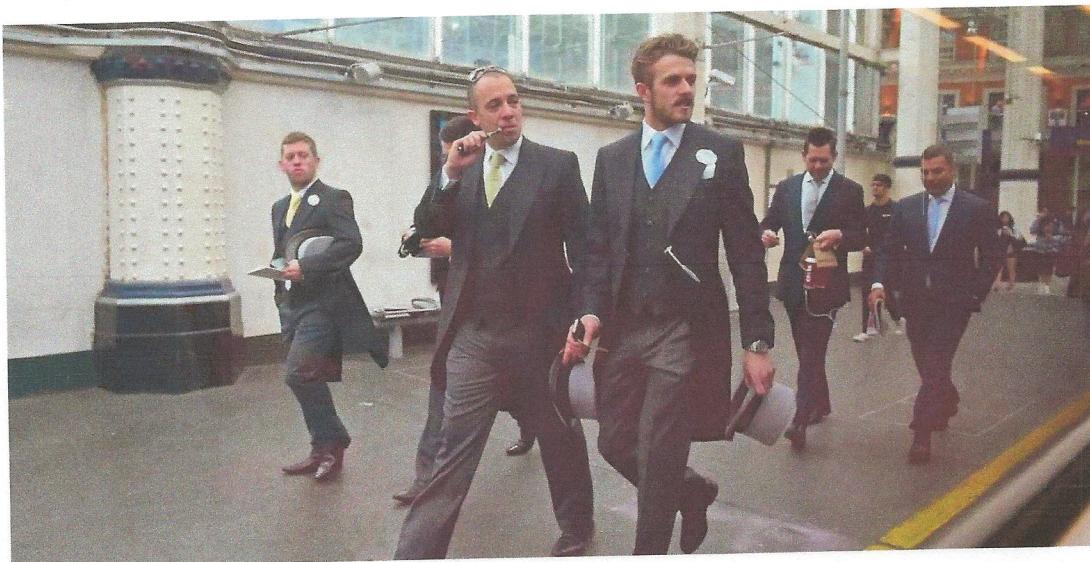
This is not so different from the modern-day concept of [visualizing a savings goal](#) with a specific price tag.

2. Faith: Believe that you can achieve your goal.

Growing rich starts with your mindset — with the belief that you can accumulate wealth. Hill writes:

Riches begin in the form of thought! The amount is limited only by the person in whose mind the thought is put into motion. Faith removes limitations!

As self-made millionaire and author [Steve Siebold](#) writes, "Being rich isn't a privilege. Being rich is a right. If you create massive value for others, you have the right to be as rich as you want."



Jeff J Mitchell / Getty Images

Building wealth will start with your mindset.

3. Auto-suggestion: Use affirmations to reach your goal.

Turning desire for money or success into reality requires sending your subconscious mind phrases and mantras that support your goal. You have to repeat out loud what it is that you want, and how you plan to get it, so you become obsessed with your purpose, Hill explains:

Your ability to use the principle of auto-suggestion will depend, very largely, upon your capacity to concentrate upon a given desire until that desire becomes a burning obsession.

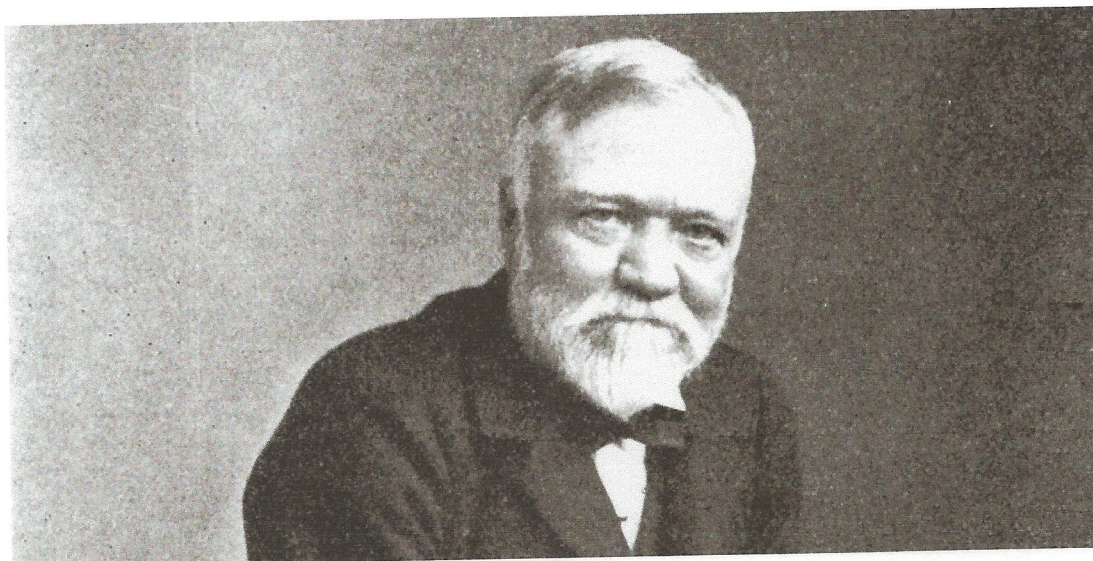
For example, if you aim to save \$1 million for retirement by putting away money every week, you would repeat, "I will set aside money this week to have \$1 million in [retirement savings](#)," as many times as possible each day.

4. Specialized knowledge: Gain experiences and continue learning.

Knowledge is potential power. An education only becomes powerful and leads to great wealth when it is organized and applied to life. It also must be continually sought after. You're never done learning, Hill emphasizes:

Successful men, in all callings, never stop acquiring specialized knowledge related to their major purpose, business, or profession. Those who are not successful usually make the mistake of believing that the knowledge-acquiring period ends when one finishes school.

Many modern-day successful and wealthy people are voracious readers; they never stop learning and challenging their minds.



Wikimedia Commons/Ineuw

Napoleon Hill studied hundreds of successful and wealthy individuals, including Andrew Carnegie, pictured above.

5. Imagination: Come up with ideas and visualize your success.

If you can imagine it, you can create it, says Hill:

Ideas are the beginning points of all fortunes. Ideas are products of the imagination ...

Man's only limitation, within reason, lies in his development and use of his imagination.

Don't be afraid to come up with, and develop, *ideas*. "Whoever you are, wherever you may live, whatever occupation you may be engaged in, just remember in the future, every time you see the words 'Coca-Cola,' that its vast empire of wealth and influence grew out of a single idea," Hill writes.

Consider Sara Blakely, whose small, disruptive idea — [making an incision in a pair of pantyhose](#) — amounted to her booming, billion-dollar business, Spanx, and rocketed her into the limelight.

6. Organized planning: Take action.

Once you've visualized your success, you need to take action and go after exactly what you want. You must act with persistence and enthusiasm. Hill explains:

Opportunity has spread its wares before you. Step up to the front, select what you want, create your plan, put the plan into action, and follow through with persistence ...

Most of us are good "starters" but poor "finishers" of everything we begin. Moreover, people are prone to give up at the first signs of defeat. There is no substitute for persistence.

For instance, if you're looking to build wealth, start with forming a [financial plan](#), and determine exactly where you want your money to go.



Courtesy of Tony Robbins

Self-made millionaire Tony Robbins delves into the psychology of wealth in his book, "Money: Master the Game."

7. Decision: Defeat procrastination with decisiveness.

A key trait Hill recognized in all of the individuals he studied who acquired great wealth was **decisiveness**. Those who settle on decisions quickly know what they want, and they tend to get what they want. He writes:

People who fail to accumulate money, *without exception*, have the habit of reaching decisions, if at all, very *slowly*, and *of changing these decisions quickly and often*.

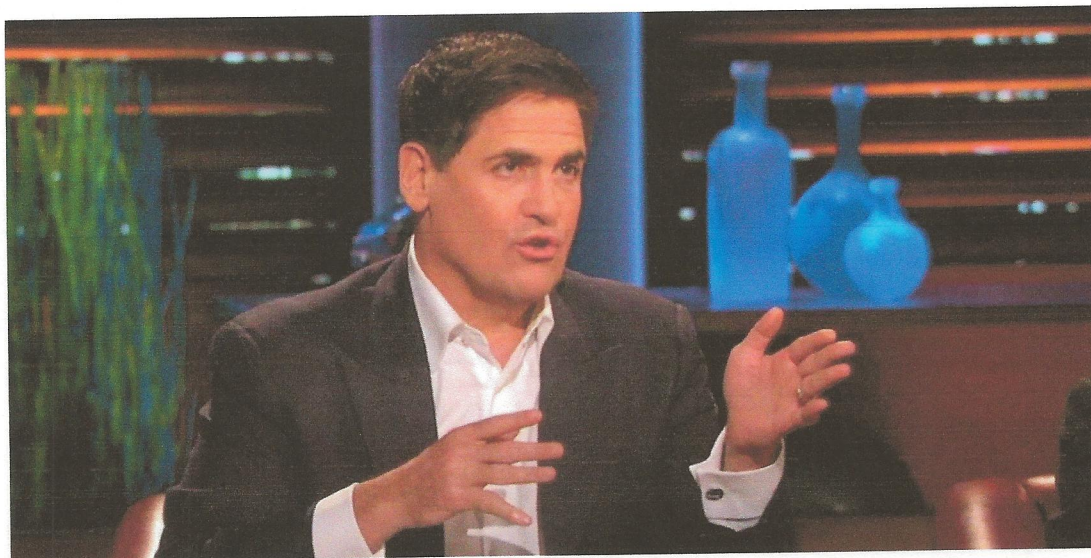
Decisiveness is not just a trait of the wealthy, but **one of the most important qualities a leader needs to possess**. At the end of the day, making a bad decision is better than making no decision at all.

8. Persistence: Don't stop until you get what you want.

Persistence is crucial when trying to accumulate wealth, yet few people possess the willpower required to turn their desire for money into actual money. Hill writes:

Riches do not respond to wishes. They respond only to definite plans, backed by definite desires, through constant persistence.

The most **successful people tend to have dealt with, and overcome, failure**. "I've learned that it doesn't matter how many times you failed," Mark Cuban told **Smart Business**. "You only have to be right once. I tried to sell powdered milk. I was an idiot lots of times, and I learned from them all."



"Shark Tank"/ABC

Shark Tank investor Mark Cuban.

9. Power of the Master Mind: Surround yourself with the best.

The wealthiest people create a "Master Mind," meaning they surround themselves with talented friends and colleagues who share their vision. The alignment of several smart and creative minds is exponentially more powerful than just one, Hill explains:

No individual may have great power without availing himself of the "Master Mind" ...

A group of brains coordinated (or connected) in a spirit of harmony will provide more thought-energy than a single brain, just as a group of electric batteries will provide more energy than a single battery.

This may explain why rich people tend to make friends with other rich people. "Exposure to people who are more successful than you are has the potential to expand your thinking and catapult your income," writes self-made millionaire Steve Siebold. "We become like the people we associate with, and that's why winners are attracted to winners."

10. The Mystery of Sex Transmutation: Choose a compatible partner.

Sexual energy is an incredibly powerful human energy — it creates physical life and develops emotional life, and when it is harnessed and redirected, it can enhance our creativity, passion, enthusiasm, and persistence, all which are crucial in accumulating wealth, Hill says:

Sex desire is the most powerful of human desires. When driven by this desire, men develop keenness of imagination, courage, willpower, persistence, and creative ability unknown to them at other times.

Love, romance, and sex are all emotions capable of driving men to heights of super achievement. When combined, these three emotions may lift one to an altitude of genius.

While this step may feel like a bit of a stretch, having a supportive partner is important to career success. Research also shows that having a conscientious spouse can boost your salary by \$4,000 a year.

11. The Subconscious Mind: Master positivity and dismiss negative emotions.

If you truly want to be rich, you have to plant that desire, and then your plan, into your subconscious mind. Hill writes:

The subconscious mind will not remain idle! If you fail to plant desires in your subconscious mind, it will feed upon the thoughts which reach it as the result of your neglect.

Positive and negative emotions cannot occupy the mind at the same time. One or the other must dominate. It is your responsibility to make sure that positive emotions constitute the dominating influence of your mind.

If you want to be successful and grow rich, it is critical that the positive emotions dominate any negative ones that arise, Hill says. He was on to something: Today, [research shows](#) that positive, happier people are more likely to perform better at their jobs and are less likely to be unemployed.



Theo Wargo/Getty Images

Jimmy Fallon.

12. The Brain: Associate with other smart people and learn from them.

Our brain is a "transmitter and receiver of thought vibrations" — it absorbs thoughts from other individuals surrounding us, making it even more important to associate with intelligent, creative, and positive individuals. Hill writes:

Every human brain is capable of picking up vibrations of thought which are being released by other brains ...

The Creative Imagination is the "receiving set" of the brain, which receives thoughts released by the brains of others.

This principle is simply application of the Master Mind principle. It takes it one step further — rather than just surrounding yourself with people who are smarter and better, use the members of your group to find solutions to problems or brainstorm ideas. Hill calls this "blending of several minds into one," and suggests sitting down with a small group of people and diving deep into the problem at hand.

13. The Sixth Sense: Trust your gut.

The final principle — the "sixth sense" — occurs only after you've mastered the other 12 principles. You'll experience a sort of mind-shift, Hill says: "Through the aid of the sixth sense, you will be warned of impending dangers in time to avoid them, and notified of opportunities in time to embrace them."

While this principle isn't the most straightforward — Hill admits it is generally not attained until age 40 — his basic claim is that your intuition will change. You'll have achieved a level of wisdom that will allow you to start making smart financial and life decisions naturally.

Although it takes a while to master the final step, you can still get a lot out of the other 12 principles, Hill says:

No matter who you are, or what may have been your purpose in reading this book, you can profit by it without understanding the principle described in this chapter. This is especially true if your major purpose is that of accumulation of money or other material things.

The chapter on the sixth sense was included, because the book is designed for the purpose of presenting a complete philosophy by which individuals may unerringly guide themselves in attaining whatever they ask of life.

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